

# THE POLISH ECONOMIST



APRIL 1930

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# THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

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NEAR JAREMCZE.

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and cover

IN FEBRUARY the economic life of Poland continued to pass through an acute phase of depression, the situation being marked by a further drop in production and in business turnover. Conditions are, however, developing normally but a quicker passage of the business life of the country to better conditions is being hampered by the world crisis in agriculture, especially keenly felt in Poland as a result of the fall in the prices of raw materials the whole world over.

In agriculture the outlook for this year's crops is good and in fact better than was the case last year, whilst the area sown was greater. The financial situation of agriculture deteriorated owing to a further decline in the price of corn to record low prices, with an improvement in prices having taken place only late in March. The situation in the animals and animal products market was satisfactory, but the demand for dairy products and eggs shrank with a resulting severe drop in prices.

In industry the drop in production not only affected articles of consumption but also the manufacturing industries. The production of coal slumped heavily, whilst iron foundry and petroleum production also decreased.

The labour market showed a large increase in unemployment due to the limiting of production, accompanied by an increase in the number of part-time workers.

In commerce turnover decreased considerably, with larger sales from stock being reported only by the textile trade.

Prices continued to fall, both wholesale and retail, as a result of a further fall in agricultural prices and in those of certain industrial raw materials.

Foreign trade exhibited its usual seasonal drop in imports with exports maintaining their position.

On the money market money became much easier, but in view of the difficult sales conditions industry and trade find it difficult to meet their obligations. Fixed-interest securities showed a distinct upward tendency in price.

The Bank of Poland reported an unchanged reserve of foreign currencies and exchange; much

less advantage was taken of the credit facilities offered by the Bank.

The State revenue during the month was almost the same as in February last year and only a little lower. A surplus of  $\text{zł}$  15 million over expenditures was reported for the month.

# REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND

FEBRUARY 1930

	UNIT	FEBRUARY 1929	JANUARY 1930*)	FEBRUARY 1930
<b>STATE OF EMPLOYMENT:</b>				
UNEMPLOYED . . . . .		182.494	243.462	282.568
<b>PRODUCTION:</b>				
COAL . . . . .	thousand tons	3.285.0	3.806.0	2.990.0
OIL . . . . .		48.6	55.7	49.3
PIG IRON.. . . .		48.6	52.1	42.5
<b>AGRICULTURAL INDEXES:</b>				
(CROP ESTIMATES)				
RYE . . . . .	5 points system	.	3.9	.
WHEAT . . . . .		.	3.7	.
BARLEY . . . . .		.	.	.
OATS . . . . .		.	.	.
<b>PRICES:</b>				
WHOLESALE PRICE INDEX . . . . .	(1914 = 100)	117.6	104.5	100.6
INDEX OF COST OF LIVING IN WAR- SAW . . . . .		127.5	120.9	117.9
<b>FOREIGN TRADE:</b>				
IMPORTS . . . . .	million ₤	265.0	216.7	181.7
EXPORTS . . . . .		167.4	218.5	218.1
EXCESS OF EXPORTS (+) OR IM- PORTS (—) . . . . .		— 97.6	+ 1.8	+ 36.4
<b>TRANSPORTS:</b>				
RAILWAY TRAFFIC . . . . .	truck loaded (15 tons)	384.328	422.840	368.368
PORT TRAFFIC (DANZIG AND GDYNIA)	reg. ton	109.266	529.312	411.208
<b>BUDGET:</b>				
RECEIPTS . . . . .	million ₤	249.3	250.0	237.2
EXPENDITURE . . . . .		203.5	242.0	222.2
<b>MONEY CIRCULATION:</b>				
BANK OF POLAND NOTES . . . . .	million ₤	1.248.5	1.246.7	1.281.8
COVER IN GOLD AND FOREIGN CUR- RENCIES . . . . .	% %	63.32	63.08	61.07
TOKEN MONEY . . . . .	million ₤	231.1	238.0	243.7
<b>CREDIT:</b>				
(BANK OF POLAND)				
BILLS DISCOUNTED . . . . .	million ₤	660.2	684.4	668.4
OFFICIAL DISCOUNT RATE . . . . .	% %	8.0	8.5	8.0
<b>FOREIGN CURRENCIES:</b>				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR . . . . .	₤	8.90	8.89	8.90
POUND STERLING . . . . .		43.28	43.39	43.36

## THE POLISH-GERMAN COMMERCIAL TREATY

A COMMERCIAL treaty was signed between Poland and Germany at Warsaw on March 17th. As is usual, the treaty requires ratification and will enter into force ten days after the exchange of the ratification documents.

This event is one of the most important in the economic history of post-war Poland. It must be remembered that since the end of the war up to the present time Poland, not possessing normal trade relations with her largest neighbours, i. e., Russia and Germany, was forced to develop by the exertion of exceptional, often excessive efforts,

\*) Corrected figures.

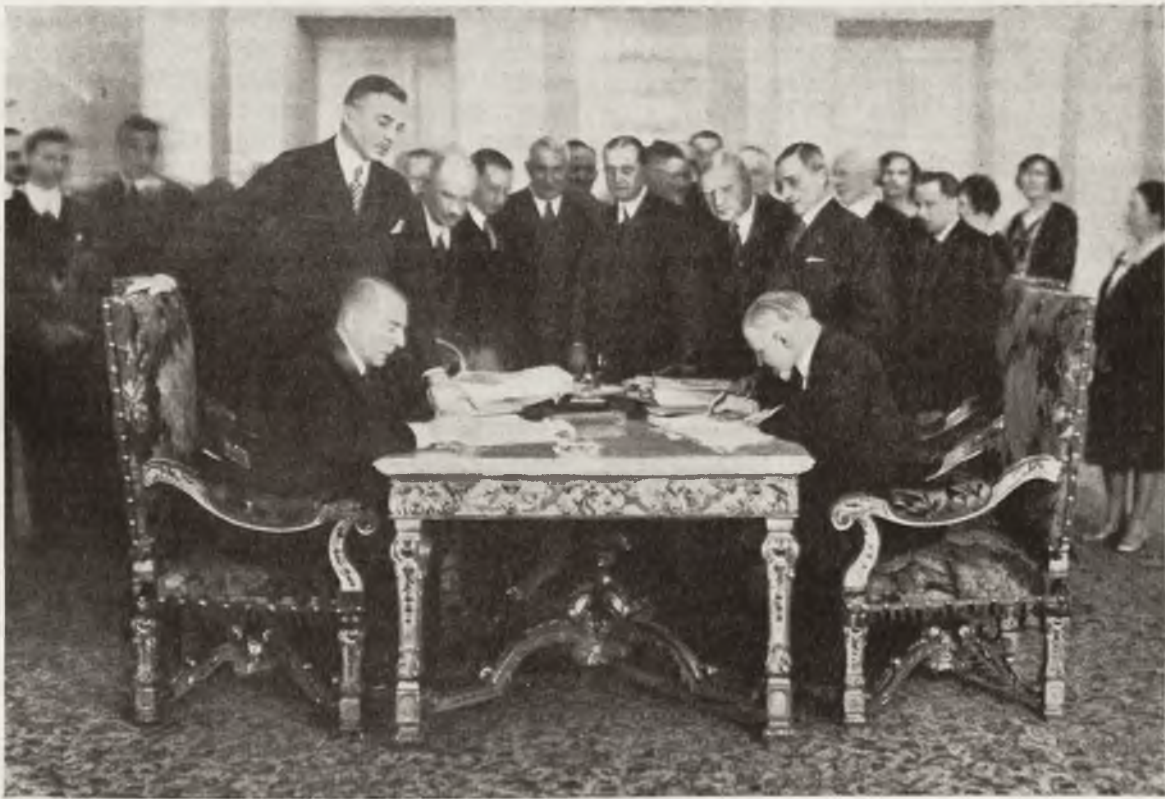


in directions which were not always rational and productive, instead of advancing the business life of the country along the path of normal economic evolution.

In order to realise Poland's exceptional situation in connection with the above state of affairs, it suffices to study a map of her political frontiers. To the South is the long frontier with far from prosperous Slovakia, relations with which are, further, impeded by the mountainous and impassable nature of the frontier in question. To the South-West is a narrow gateway leading to industrialised Czechoslovakia; to the South-East—another to Rumania; to the North is the chief outlet to the rest of the world, i. e., Poland's

was always one of Poland's chief suppliers of many manufactured goods and the chief buyer of her agricultural produce. For generally known reasons the barriers against trade with Russia will certainly continue to exist as long as the present political situation in Eastern Europe remains unchanged. On the other hand, however, as a result of an economic understanding with Germany, the Western barrier to trade is now being removed.

Up to 1925, virtually no treaties existed between Poland and Germany, the only factor governing relations being the Treaty of Versailles, affording certain privileges to Poland in her dealings with Germany, and the Upper Silesian Convention regulating certain Silesian affairs. The privileges



SIGNING OF THE POLISH-GERMAN COMMERCIAL TREATY  
(PHOT. S. PLATER)

tiny sea-coast on the Baltic, and Danzig, only partially bound up with Poland; to the North too are the frontiers of such economically unimportant countries as Latvia and Lithuania, the latter moreover to this day considering herself to be in a state of war with Poland. Finally, Poland has extensive boundaries with Germany and Russia, totalling each over a thousand kilometres in length. These frontiers have been so far, almost insuperable barriers to Polish trade — an abnormal situation, since Russia has always been the main market for Polish industry, which was specially adapted to Russian needs, and which, as a result of the present inaccessibility of that market, finds it difficult to emerge from a state of chronic depression and slackness. Then again Germany

possessed by Poland on the strength of the Treaty of Versailles expired on March 15th, 1925, and this became the signal for Germany to inaugurate a campaign of economic pressure against Poland, having for its object the forcing of the latter country to agree to a commercial treaty which would reinstate Germany in the privileged position she had in Poland before the war.

Negotiations for a commercial treaty were inaugurated; Germany demanded at the outset very far-reaching reductions in the Polish Customs Tariff; these demands were rejected, and a Polish-German customs war broke out. This conflict, the progress of which was followed by the whole world, involved the introduction by both sides of a system of embargoes on the exchange of a large



number of articles between the two countries, whilst Germany introduced special militant customs duties, &c.

To-day, on the eve of the conclusion of this customs war, it is universally known, not only in Poland but also in other countries and above all in Germany, that Poland gained a series of important successes during the five years of the conflict—successes which might not have been hers if Germany had not so radically cut herself off from Poland. The successful production of many articles formerly imported from Germany was commenced in Poland under the protection of high import duties and embargoes. Polish merchants, cut off from the German markets, were forced to seek their supplies elsewhere, this leading to closer business relations with quite a number of other countries. As a result of this, Poland's overseas trade developed during the conflict, thus making possible direct business relations with the whole world and the exclusion of Germany as an intermediary.

The purpose of this article is not, however, the discussion of the consequences of the five-years customs war with Germany. It is important to realise, nevertheless, that Poland did not sign the Treaty owing to the economic pressure brought to bear on her by Germany.

The Treaty was signed simply because both sides came to the same conclusion: that peace is always better than war; that unadjusted economic relations between two civilised countries cannot be tolerated in the long run; that a way out of even the most difficult situation can in the end be always found. The conflict has thus come to an end and a period of Polish-German economic co-operation has been commenced.

It has been asked if the Treaty is a favourable one or not for Poland. An exact reply to this question can only be given after it has been in force for some time. To-day it can only be said that every agreement, whether between countries or individuals, must have its favourable and unfavourable aspects, provided it is the result of a mutual compromise and not of pressure brought to bear by one of signatories. The Polish-German Commercial Treaty contains favourable and unfavourable points for one or other of the parties just because it has arisen out of a mutually accepted compromise.

This compromise on the part of Germany—and this is the chief success gained by the Poles—is the abandonment of her demand for a reduced conventional Polish Customs Tariff. This demand was the primary cause of the "Five Years War". Each signatory, on the strength of the most-favoured nation clause which is the basis of the whole Treaty, in the domain of customs dues receives only such conventional tariff-reductions as may be granted by the other side to third countries. The adoption of this point removes the menace to Polish industry of the powerful competition presented by Germany's strongly organised industries.

A natural result of the ratification of the Treaty will be the immediate abolition of the exceptional

regulations issued by both sides during the customs war. It is, moreover, quite possible that these regulations will be withdrawn on the strength of a preliminary understanding even before ratification.

Both parties to the agreement have retained absolute freedom in conducting their customs tariff policies and in declaring embargoes on export or import, always provided, however, that such measures shall apply to all countries equally. Whilst on this subject it would be well to mention that Germany, which applies the system of export and import embargoes on a larger scale than most European countries including Poland, has agreed to grant Poland a number of special contingents for certain goods which occupy an exceptionally important position in Poland's foreign trade.

Thus of those articles the export of which is strictly controlled by the German Government, Poland is to receive yearly 165,000 tons of scrap iron and 10,000 tons of coal-tar. Poland has also received the right of free export to Germany of 320,000 tons of coal per month and of 10,000 tons of litharge and red lead per annum. The most important concession gained by Poland in this field was, however, the securing of an export contingent of live or slaughtered pigs amounting to 200,000 head per year for the time being, to 275,000 head after the lapse of eighteen months and to 350,000 head yearly after a further twelve months. This export from Poland to Germany is to be governed, however, by special, rather complicated conditions having as their object the protection of the German meat market against uncontrolled import. It was in connection with this export that the chief difficulties arose during the negotiations for the Treaty, but, as will be deduced, these were finally overcome. A Veterinary Inspection Agreement forms a constituent part of this feature of the understanding.

As compensation for the above mentioned contingents, Poland has granted Germany contingents for certain goods, the import of which has up to now been forbidden in Poland.

A more real concession on the part of Poland was that in respect of Germany's rôle as a middleman country. Although the principle of reciprocity was maintained here too, in practice all the advantages accruing from this portion of the agreement will go to Germany. It is only in exceptional cases that Poland appears as a middleman in the foreign trade of Germany, whilst Germany is the largest middleman country in Europe for international trade. *Inter alia* a great deal of Poland's export and import trade with a number of countries is effected through the intermediary of Germany. Whilst Poland tends towards the abolition of this type of economic dependence, she is making certain concessions to Germany as a result of the Treaty; for example she abandons the principle of applying the conventional customs tariff solely to direct imports from the producing country, agrees to work in the direction of abandoning certificates of origin, confirms freedom of transit, &c.

Other concessions which, in practice, will be in effect made principally by Poland are those clauses of the Treaty dealing with the right of entry and settlement of nationals of one country in that of



the other and with joint stock companies of each of the countries operating on the territory of the other. In view of the higher level of development of Germany's industrial and commercial system, there can be no doubt that it is the German merchants, trading houses and enterprises, who will profit by these stipulations.

In addition, the Treaty regulates certain other matters, arising out of the existence of economic relations between the two countries, viz.: the import and export of unfinished goods and intermediate products for working up, samples and patterns, mutual defence against unfair competition, &c.

We have summarised above the contents of the Polish-German Commercial Treaty<sup>1)</sup>. As will be readily seen, the Treaty is not of a provisional nature, as certain sections of the European press have erroneously stated it to be. On the contrary, it is one which will regulate the mutual relations of the two countries in the widest possible manner.

Neither of the signatories had as their object, in preparing the Treaty, the creation of such a situation as would result in one-sided benefits to either party. Yet, in spite of this, it may well be that some section of the agreement will be found not to meet its purpose and will fail to satisfy one or other of the contracting parties. Such unexpected consequences are possible in the case of every agreement. Nevertheless, the friendly spirit of co-operation arising out of the Treaty will make the settlement of any questions easier to arrange than was the case in the past, and will permit of the confirmation or even change of some of the terms. In fact the possibility of amendment in the future is in certain cases expressly foreseen in the text of the Treaty. This fact shows what care was exercised by both sides in regulating the complicated economic relations dealt with and further testifies to the good-will exhibited by all concerned.

There is one favourable result of the Treaty which would seem to be quite certain of achievement. This is the growth in business which will certainly take place between the two countries. This will be a concrete attainment benefiting both sides, quite independently of the fact that one of the signatories is benefiting more out of the agreement than the other. Poland for that matter already feels certain that in all probability German merchants and manufacturers will in practice benefit more than the Poles, for the reason that the former have greater experience in foreign trade and above all because they have a better financial system behind them. This state of affairs arises, however, from the intrinsic nature of the two countries concerned.

It was not to Poland's interest, moreover, to acquiesce in the over-prolonged holding-up of normal relations with her Western neighbour. Poland therefore was anxious for the conclusion of a Commercial treaty with Germany from the very first, although she realised well that opening her frontiers to German trade would mean allowing

Germany to exert a much greater economic influence on Poland than in the case of any other country. A glance at the map will readily show that this must be so.

If then Poland refused during more than five years to accept the German terms for an agreement, this was because the German demands were excessive and even appeared to have as their object the economic subjection of Poland by Germany. Thus when the Germans abandoned their aggressive attitude, an understanding became possible and was finally attained.

It is in this abandonment of Germany's aggressive economic policy towards Poland that the chief success of the Treaty lies not only for Poland, but also for the whole of Central and Eastern Europe, not even excepting Germany herself. For that part of Europe, most tried as it was by the war and most susceptible to crises, the signing of the Polish-German Treaty will render possible the further development of relations in a spirit of mutual confidence and in accordance with the principles of fair play.

## THE GRAIN CRISIS IN POLAND

THE WORLD crisis in corn, evoked by the lack of equilibrium between supply and demand has caused a serious fall in prices. The measures to counteract this have been exhaustively discussed both by the countries applying relief measures as also by the last conference of agricultural experts held at Geneva. These discussions have made it clear that there is a very real danger of the corn crisis, in itself very disquietening, leading to a crisis in stock-breeding which would especially affect breeders of hogs. This possibility has made it all the more necessary for the causes of the crisis to be studied so as to facilitate the application of suitable protective and relief measures.

These causes are few in number and can be quite clearly defined. Undoubtedly the most important one is a shrinkage in the buying capacity on the corn markets of the world, evoked primarily by the customs barriers raised by importing countries in order to protect their own farmers against foreign competition. The next factor to be considered is a general decline in the consumption of cereals in many European countries due to a rise in the standard of life. These two factors explain the diminution in the demand.

The available supply has been increased in Europe under the influence of a series of good harvests and as a result of overseas exporters organising sales in order to capture wherever possible foreign markets. Further, the crisis has become still more acute owing to the uncertainty regarding one of the pre-war factors of equilibrium, that is, Russia. This uncertainty applies both to the Russian stocks of corn destined for export as also to the prices which may be fixed. Fluctuations in both cases can be large and depend on unforeseen circumstances, regarding which the science of economics is silent.

<sup>1)</sup> Certain of the provisions of the Treaty will be discussed in closer detail in subsequent issues of "The Polish Economist".



Under such conditions, the tendency of corn prices to drop could be logically explained and was easy to foresee. But there are other factors of a different nature such as the element of speculation which gave a bearish tendency to markets, especially in the grain-importing countries, and the lowering of prices in exporting countries in order to retain their foreign markets. Further, there is a psychological factor — the feeling of panic amongst the farmers.

were under oats in 1921 as against 2,038.200 ha in 1928.

Secondly, concurrently with the increase in the acreage sown, an important improvement in agricultural methods took place. An enormous increase in the use of artificial manures was noted, resulting in a greater need for working capital and in a larger production of grain. Thus it was that with larger crops being harvested and with bumper crops during the last two years, the visible



MODERN MACHINERY IN USE ON A POLISH FARM (PHOT. S. PLATER)

The combined effect of all these factors speeded up the course of events very considerably and, finally, led to a veritable slump on the grain markets. The progressive growth of a drop in prices is well known, and for that reason we shall content ourselves with noting the actual fact without quoting data to bear it out.

In Poland, the situation is no better than in other countries; if anything it is worse since, over and above the adverse factors affecting other countries, Poland has her own special difficulties which are aggravating the situation.

In the first place, the great increase in the area under corn must be mentioned. Statistical data show that in 1921 there were 980.700 ha under wheat whilst in 1928 the corresponding figure was 1,289.600 ha; 4,322.300 ha were under rye in 1921 and 5,340.600 ha in 1928; in 1921, 849.200 ha were sown with barley whilst by 1928 this figure had risen to 1,156.000 ha; finally, 1,410.200 ha

supply become an unusually large one. The following table illustrates the large growth in the crops harvested (in quintals):

	1921	1928
wheat . . .	11,020.080	16,116.900
rye . . . .	44,437.200	61,101.600
barley . . .	9,002.200	16,272.100
oats . . . .	13,288.000	24,977.000

The next point to be considered is that of Poland's grain balances on the basis of average harvests and taking into account the large and steady increase in her population. Poland has normally a small deficit in wheat and an overproduction of rye and barley. Whilst the exceptionally good harvests of the past two years have resulted in the home demand for wheat and oats being covered, the remaining crops have proved to be far in excess of the domestic demand. As regards barley and oats no great problem arises since



the former finds a ready market by reason of its high quality, whilst the latter can be used up at home. If any difficulties arise, these will be only temporary.

The situation as regards rye, however, is very different. The large surplus of this commodity makes the grain crisis in Poland an especially acute one. This is, *inter alia*, because rye is easily and strongly influenced by the prices of other kinds of grain, and that markets buying rye are exceedingly limited.

In order the better to comprehend the difficulties caused during the present crisis by an over-production of rye in Poland, we must examine the three factors quoted above as responsible for the crisis in the reverse order mentioned. Excluding Russia as an unknown quantity for the time being, we can state that since 1928 Poland has occupied first place in Europe as a rye-producing country, Germany coming second with an acreage under rye amounting to 85 per cent of the Polish figure. Then follow Czechoslovakia, France and the other countries. We can take into consideration only seven rye-exporting countries, i. e. — Poland, Germany, Russia, Hungary, the United States, Canada and the Argentine. The mean annual capacity of the rye markets of the world only comes to about 17.7 million quintals. As far as Poland is concerned, only the Scandinavian and Baltic countries can be considered as convenient markets for its rye crop, and their buying capacity is limited to about six million quintals yearly. It must be borne in mind, however, that these markets are equally convenient for Russia, Germany and, of the more distant exporters, Canada; Poland therefore finds it difficult to stop her markets shrinking, whilst keener competition is depressing prices and facilitating speculation on the part of the buyers.

To these factors another one must be added: the price of rye, which is used as food by both man and beast, is influenced by the fluctuations in the price of wheat on the one hand, and in the prices of barley, oats and other fodder plants on the other. It is not surprising, therefore, that under such conditions the price of rye has fallen to a level out of all proportion to that of wheat. Thus, the price of rye dropped from 80 per cent of that of wheat in 1927 to 74 per cent in 1929 and slumped to 57 per cent in 1930.

It will be readily understood that the adverse situation in rye must make the corn crisis especially acute in Poland when it is realised that the total production of the remaining cereals in that country amounts to only 90 per cent of the rye crop. Then again the problem assumes special importance in Poland because the rye-producers are not only the large gentleman-farmers but also, to a great extent, the peasants, who comprise the bulk of the population of the Polish Republic.

Another factor which has done much to render the situation still more unfavourable, is Poland's unwillingness to adopt a system of protection and her exceptional care for the interests of the consumer. It was only when faced by absolute necessity, in view of the far-reaching protection

adopted by other countries and in view of the dumping policies of her neighbours, that Poland decided, as late as in June 1929, to repeal the export duty on rye and, in August of the same year, on oats. It was also only when the crisis in corn had become very severe and after Germany had built up an excellent system of export bounties, that Poland introduced temporarily, in November of last year, low export bounties, these amounting to  $\text{zł}$  6 per 100 kg for rye and wheat, to  $\text{zł}$  4 per 100 kg for oats and barley, and to  $\text{zł}$  9 per 100 kg for rye flour, pearl barley and malt. This great caution in applying even a limited measure of protection and the resulting delay, affected adversely for some time the internal situation in Poland, since the large surplus lowered home prices excessively.

The introduction of export bounties had the effect of evening up the situation of the Polish producer to that of the German farmer who had been and is still enjoying the benefits of an export bounty amounting to RM 6 per 100 kg. With this object accomplished it became possible to undertake the preparation of measures for combating the existing crisis.

The recipe was, of course, a simple one: i. e., decrease supply and increase and organise demand. The solution of the problem was, however, not so easy to carry out in practice as in theory. It soon became apparent that the levying of an import duty on rye and the granting of export bounties were insufficient measures to relieve the situation, since even with imported rye excluded from the market, the stocks on hand proved to be in excess of the demand. To make matters still worse, exports of Polish rye encountered exceptionally keen competition.

This competition first eliminated American rye, since ocean freights raised the price above the level reigning in Europe; then, although she had been very active in the grain markets of the world immediately after the harvests, Russia abandoned the field leaving only Poland and Germany to be taken into consideration.

This did not, however, result in the keenness of the competition falling off to any extent because the desire at all costs to maintain foreign markets led to further price-cutting to a level below that of the actual cost of production. At the same time, the over-supplied home markets of Poland and Germany began more and more to yield to the depressing suggestion of the export prices and also began to fall, attaining an equivalent level in both countries, if the different production costs be taken into account. A greater absolute fall in prices was only prevented in Germany by the introduction of high export bounties.

Under these conditions, the question of attaining an understanding with the object of putting an end to wild competition, of ending price-cutting and of subsequently restoring prices to their normal level was raised in both countries. Such an understanding was attained on February 17th, 1930, whereby Poland received a contingent of 40 per cent of the total export of the two countries signing the agreement. It is to be expected that the



organisation of a common export policy and the cessation of price-cutting, will bring about a favourable effect in foreign markets and will at the same time facilitate for both sides the restoration of home prices.

The Polish Government has, apart from regulating the export of rye, undertaken to increase the so-called corn reserves; this will bring about a certain diminution of supply. At the same time it may be well expected that the purchases made by the Government on the one hand and the cessation of export-price cutting on the other will lead to more normal conditions amongst buyers for the home market, who will more readily purchase for stock, without the fear of loss owing to further price depression. This expectation is the more justified in that certain credit facilities will allow the farmers to abstain from a rapid disposal of their rye stocks in order to meet current obligations. The normal relation between supply and demand will in this way be restored, as a result of which the gradual restoration of normal prices will be only a question of time. This expectation together with the fact that the corn crisis in Poland is only of a transient nature, as also that normal harvests in that country leave only a small surplus for export, all tend to make it extremely unlikely that a similar crisis will arise again in the near future.

In addition, the growth in rye production may be expected during the coming years to be smaller, as a result of augmented production of wheat, the annual shortage of which is normally about 200.000 tons; the production of this amount would require about 160.000 ha for its cultivation. It is also a fact that the large tracts of land formerly left untilled as a result of war devastation are now practically all under cultivation, so that little further increase in acreage can be expected from this source. Then the constant large increase in population, growing at the rate of 16.3 births per 1.000 inhabitants per annum, affords a guarantee that the demand will increase steadily in the future. All these factors tend to indicate that a corn crisis in Poland can only be of a transient nature and due only to accidental conjunctures.

It is important that in a consideration of the present crisis in corn its after-effects be examined and studied. Here again, the whole problem is found to be closely bound up with that of rye. In Poland, all types of farms from the largest to the peasant holdings produce rye. The latter category accounts for 65 per cent of the crop, and, less troubled than the larger farms by the need of procuring large working capital, they feel to a much lesser degree any transient changes in market conditions. There is no doubt, however, that much hardship has been experienced by the peasant-farmers; financial losses certainly existed, but these have been and are being made good by an increase in economies, and there can be no question of bankruptcy or of ruin. As regards the large country landowners, thanks to the industrialisation of their estates and the greater variety of crops sown, they have found it easier to weather the crisis, the more so as credit relief was readily available for their needs. It can, therefore, be confidently stated

that the present crisis will leave no permanent ill-effects behind it.

Finally, the state of indebtedness of Polish agriculture is very low and that which exists is mostly payable to the State banks. Over three million farms with a total arable acreage of about 15 million ha are encumbered by a long-term debt of  $\text{zł}$  343.7 million, i. e., about  $\text{zł}$  22 per ha, and a short-term debt of  $\text{zł}$  320.3 million, about  $\text{zł}$  20 per ha. The other debts, such as mortgage loans, were mostly paid off during the first few post-war years. The financial basis of Polish agriculture can, therefore, be stated to be absolutely sound and even very strong, the more so as it possesses all the necessary qualification to receive a fresh supply of credit, offering as it does adequate security and good interest rates. For purposes of comparison it may be stated that, according to German official figures, the financial position of the German farmers is much less favourable as there, farms aggregating 24 million ha have to support the burden of a debt amounting to over RM 10 milliard.

## THE INTERNATIONAL TRANSPORT AND TOURIST EXHIBITION IN POZNAŃ, 1930

ON JULY 6th, 1930, there will be opened at Poznań the First International Transport and Tourist Exhibition to be held in Poland. In this way the extensive and well equipped grounds of the Polish National Exhibition held in the year 1929, will be again employed this year.

In accordance with the organisation plan, the Exhibition will be composed of three sections and will cover the following branches:

1. — General Communication Section:  
Branch 1 — Normal and narrow gauge railways: locomotives, wagons, refrigerator cars and warehouses, railway signalling, railway station equipment, railway construction, railway accessories and subsidiary industries, railway advertising, insurance and transport companies. Branch 2 — Urban and suburban communications: tramways and electrical buses, tramway construction, underground railways, subsidiary industries, tramways and underground railway companies advertising. Branch 3 — Aerial communication: aeroplanes, aeroplane accessories and precision instruments, the construction of aerodromes, aerial communication advertising. Branch 4 — Sea and river communication: shipyards, the construction of ports and port equipment, port advertising, construction of canals and locks, subsidiary industries, shipping advertising. Branch 5 — Carriages, cars, barrows. Branch 6 — Roads and bridges: construction of roads and streets, bridges, subsidiary industries. Branch 7 — Posts, telegraph and telephones: postal equipment. Branch 8 — Wireless communication: transmitting and receiving apparatus, television, subsidiary industries, wireless advertising. Branch 9 — Transport appliances: cranes, conveyors, &c.



2. — Internal Combustion Section: Branch 1 — Motor buses. Branch 2 — Motor trucks. Branch 3 — Special motor vehicles: scavenging, cleaning and watering, fire engines, commercial and publicity cars, military kitchens, tanks. Branch 4 —

plan of organisation, and it should be stated that the tourist business industry will be given special attention. It is worthy of note that the Exhibition will bear an international character which enables all the countries desirous of attracting foreign



A WINTER SCENE IN NORTHERN POLAND (PHOT. J. BULHAK)

Motor cars. Branch 5 — Tractors. Branch 6 — Motor-bicycles. Branch 7 — Motocycles. Branch 8 — Bicycles. Branch 9 — Motor car bodies. Branch 10 — Tyres. Branch 11 — Component and spare parts. Branch 12 — Materials and semi-finished products. Branch 13 — Accessories.

3. — The Tourist Section in its eight branches will contain town and district advertising, advertising of transport and tourist undertakings, publications dealing with communication and travel, travel films and photographs, cartography, sport and sporting articles and travelling outfits.

The character and the object of the Exhibition are apparent from the above description of the

tourists to undertake propaganda among Poles, who, speaking generally, travel abroad a great deal. For this reason numerous foreign countries have expressed their desire to take an active part in the Tourist Section. Austria, Belgium, China, Czechoslovakia, France, Germany, Hungary, Italy, Japan, Switzerland, the United Kingdom and the United States of America have definitely agreed to take part. The League of Nations has also taken an interest in the Exhibition. Similarly, in each of the different countries the Exhibition at Poznań has attracted the attention of firms dealing in motor cars, locomotive wagons, aeroplanes, ship-building, road construction of all types, &c.



The main reason for which it has been decided in Poland to organise this great and interesting venture is an attempt to show to the world what Poland can provide for tourists. The beauty of the ancient relics of Italy, the gorgeous majesty of the Swiss mountains, the attractiveness of the capricious and joyous capital of the world — Paris — all these things are so well known to everybody if only from the numerous publications, that there is no special necessity for publicity and propaganda to attract millions of tourists each year from all parts of the world.

Poland, however, is one of the least known countries to the general public, and it is certain that among the foreigners coming to Poland there are very few tourists. Consequently, foreigners ignore the beauty spots to be found in Poland. And yet there are places not less worthy of being visited than in the countries which are flooded with tourists.

In a country with few large towns as is the case with Poland, nature herself is the chief source of impressions to the tourist. Over the area of 400 000 sq. km which comprises the Republic of Poland, the landscape and climate vary considerably. In the far Northern parts of the country the winter is severe and the snowfalls great, and in the South there are orchards of peaches and vineyards. The waters of the Baltic wash the shores which, possessing a comparatively small number of inhabitants, are most picturesque: high and steep hills covered with beautiful forests are distinct attractions of the sea-side places. The Hel peninsula which stretches out into the sea for a distance of 40 m is very narrow, not exceeding 200 m in some places, and represents in itself a unique point of interest. In the South, Poland is separated from her neighbours by the ranges of the Carpathian Mountains the highest of which are the Tatra mountains. After the Alps they are one of the highest groups of mountains in Europe (2.673 m above sea level), and their advantage over the other well known European mountains is that they are wilder and more primitive in the splendour with which nature has endowed them. Numerous lakes surrounded by mountains, valleys and slopes covered with forests, rugged lines of high peaks glowing with eternal snow, numerous grottos, mountain streams and waterfalls are as a whole, an enormous source of pleasing impressions for the tourist.

But the greatest and most valuable feature of Poland's landscape is the extensive and extremely

varied forests. Commencing with the well cared for forests in Pomerania and passing through the gorgeous coniferous forests in the Carpathians and the world-known virgin forests such as the Biało-wieża (the largest forest in Europe — 142.926 ha), Augustów, Naliboki, &c., with rare specimens of trees, we come to the charming and unique wooded areas, in the Eastern part of Poland, in Polesie, Podlasie and Wołyń, which are lost amidst marshes, intersected by rivers, accessible only to wild animals, to the hunter who is used to hardships and to the tourist who, realising the originality of this locality, finds a way to the remote places which in some cases even the Great War did not reach.

In the Polish towns also, though located further to the East than others they were in the past more subject to destruction, discriminating tourists will find many relics of great historical and architectural value. Ancient Kraków, the one time home of the Polish kings, with its buildings dating a thousand years ago together with the old castle and the second oldest university of the world, then Warsaw, the centre of modern life in Poland and the cradle of its culture and civilisation during the time of her most brilliant period — the eighteenth century, the old border towns of Lwów and Wilno, which still bear signs of battles against the Tartars and the Moscovite Tsars, the beautiful cities of Western Poland — Poznań, Toruń, Grudziądz, and Bydgoszcz, the old Hanseatic city — Danzig, which already five centuries ago was known under the name of "Poland's gate to the world". Again there are extensive industrial areas, such as Łódź, Katowice, Borysław. All these towns contribute towards the variety of impressions which Poland has in store for tourists.

As already mentioned, the number of tourists visiting Poland is comparatively small. Up to the present, Poland has been only organising herself for the reception of foreign tourists. The progress in this direction is hampered by the insufficiency of lines of communication, the development of which before the war was, as is well known, checked by the alien occupation powers. This fact explains why the Tourist Exhibition to be held in Poland is at the same time an exhibition of communications.

The Exhibition will show the progress achieved in the means of communication of all types in Poland and at the same time will demonstrate to the world the fact that there are beautiful spots in the country which are well worth the attention of foreign tourists.

## SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

published in the "Official Journal of Laws of the Republic of Poland" ("Dziennik Ustaw Rzeczypospolitej Polskiej")

from February 15th to March 15th, 1930

**Authorisation of the Ministry of Finance to place certain funds in bond securities** ("Dz. Ust. R. P." No. 10, item 65).

**Authority given to the Ministry of Finance to issue the third series**

**of the Premium Dollar Loan** ("Dz. Ust. R. P." No. 10, item 66).

**Tax relief for capital and unearned income** ("Dz. Ust. R. P." No. 10, item 67).

**Reduced customs rates for sprats**

**and anchovies** ("Dz. Ust. R. P." No. 10, item 69).

**Usury Act** ("Dz. Ust. R. P." No. 10, item 70).

**Prohibiting the import or transit**



through Poland of parrots ("Dz. Ust. R. P." No. 10, item 71).

Statistics of goods traffic on inland waterways ("Dz. Ust. R. P." No. 12, item 88).

Cultivation of tobacco in 1930 ("Dz. Ust. R. P." No. 13 item 98).

Fixing of cattle-breeding zones ("Dz. Ust. R. P." No. 13, items 99 and 100).

State control of breeding-bulls ("Dz. Ust. R. P." No. 13, item 101).

Payment dates of the Federal Land Tax and of premiums for compulsory fire insurance of build-

ings with the General Mutual Insurance Institute ("Dz. Ust. R. P." No. 14, item 102).

Polish-Czechoslovakian Agreement in respect of the regulation of the Olsza River and the Piotrków Rapids ("Dz. Ust. R. P." No. 14, items 103 and 104).

Polish-Latvian Agreement in respect of railway communication ("Dz. Ust. R. P." No. 15, items 106 and 107).

Partial amendment of the telephone tariff on the lines exploited

by the Polish Joint Stock Telephone Co. ("Dz. Ust. R. P." No. 16, item 116).

Prolongation of the term for filing income-tax reports to 1930 ("Dz. Ust. R. P." No. 16, item 119).

Amendment of the Marine Chambers Act ("Dz. Ust. R. P." No. 17, item 126).

Granting unemployment doles to part-time workers in the textile industry in the Łódź voievodship ("Dz. Ust. R. P." No. 17, item 133).

# PRODUCTION AND TRADE

## STATE OF EMPLOYMENT. —

During February the labour market continued to grow worse, the number of registered unemployed rising from 249,462 to 282,568. The number of part-time workers also increased considerably, growing from 88,712 to 117,973.

A favourable symptom was, however, that the rate of acceleration in the growth of unemployment slackened up considerably during February as compared with that noted during the preceding month. Thus whilst in January the number of unemployed increased by 15,000 weekly, during February the average weekly increase came to only 8,300. This would appear to indicate that the peak of unemployment is near. Another feature worthy of note was that the increase was primarily in unskilled labour. This last observation offers material of hope that the drop in employment in industry due to adverse business conditions is coming to an end. Naturally, this does not apply to the coal-mining industry, since with the advent of spring the present high standard of employment should decline as is usual every year.

The number of registered unemployed during the past few years is given in the following table (figures for the first of every month):

	1927	1928	1929	1930
January	251,326	165,268	126,429	186,427
February	301,457	179,602	160,843	249,462
March	302,179	178,403	177,462	282,568
April	295,529	167,022	170,494	
May	272,414	154,656	149,093	
June	256,934	132,453	122,771	
July	243,302	116,719	106,622	
August	223,474	103,451	97,191	
September	205,393	94,177	91,512	
October	185,207	79,885	83,063	
November	167,826	79,689	93,800	
December	168,008	94,132	126,644	

The following, statement gives the number of part-time workers (as on the first of each month):

	1928	1929	1930.
January	33,190	21,726	36,663
February	31,465	15,847	88,712
March	25,565	16,554	117,973
April	48,878	16,967	
May	54,385	21,791	
June	27,461	26,343	
July	28,728	30,299	
August	32,996	36,044	
September	25,911	38,837	
October	28,147	35,067	
November	25,189	34,572	
December	26,143	36,111	

Of those workers partly employed, 491 worked one day per week, 7,833 two days, 43,281 three days, 42,228 four days, and 24,140 worked five days per week. The average time worked was 3.7 days per week, as compared with 3.6 days in January. The table given below quotes the number of unemployed by trade groups (as on the first day of the months quoted):

	Feb.	March	+ Increase - decrease
mining	3,735	5,821	+ 2,086
foundry	772	870	+ 98
metal	17,143	19,602	+ 2,459
textile	33,771	33,977	+ 206
building	40,134	43,786	+ 3,652
clerical	14,817	15,748	+ 931
other	139,190	162,764	+23,674
Total:	249,462	282,568	+33,106

As a result of the mild winter, the sale of coal showed a falling off both on the home and the foreign markets. The collieries are endeavouring to limit output chiefly by working short-time but in spite of this measure pit-head stocks have increased fairly greatly.

There is no change to report as regards labour conditions in the petroleum industry. Production has increased slightly and sales are shaping favourably on the whole. Unemployed workers in this industry constituted 3.5 per cent of those at work.

In the iron founding industry a further drop in production took place under the influence of the stagnation reigning on the home market as regards sales of iron and steel. Whilst Government orders were greater, those received

from private clients (by the metal manufacturing industries especially) fell off to such an extent that the total tonnage and value ordered was less than in January. This drop was also accompanied by a decrease in the export of foundry products.

No noteworthy changes took place in the zinc and lead industry. The number of unemployed workers in this branch of industry was 1.5 per cent of those working.

The situation in the metal industry continued to be unsatisfactory as a result of the weak demand, and can be said to have even become somewhat worse, this being expressed by a further, although slight, increase in unemployment. The slackness felt in the manufacturing industries was reflected by a drop in the production of textile machinery, electric motors and electrotechnical equipment. The decline in the purchasing capacity of the farmers has created a difficult situation for manufacturers of agricultural tools and machines. The machine tool factories are mostly working for stock. The most favourable conditions noted during the period reviewed were those reigning in the zinc-sheet plants. Unemployed metal workers represented 24 per cent of those at work.

In the Łódź textile industry a slight increase in sales of cotton goods took place during the second half of February, but this had little effect in relieving the situation. In view of the large stocks held by the mills, the state of employment in the weaving mills remained low. As in the preceding month, almost 80 per cent of the hands worked from three to four days per week. In view of the slack market the cotton-yarn spinning mills further limited output during the latter half of the month. In the larger mills a total



of 51.047 hands were employed as against 51.912 in January and 65.829 in February 1929, at the same time a much larger proportion of part-time workers being engaged.

Whilst wholesalers showed more interest in summer goods, transactions showed no great tendency to grow due to lack of working capital on the part of the merchants. Conditions in the woolen industry at Łódź were most unsatisfactory. The industry was more stagnant than in the preceding month and than during the corresponding month of last year. The larger woolen mills employed 14.855 hands during February, as against 15.599 in January and 19.915 in February 1929.

In the Bielsk woolen industry a strike had held up the execution of summer goods and in addition the production this year is 25 per cent lower than that of last year. In the Białystok area only a slight improvement was noted. Sales on the home market continued to be negligible. In connection with large orders having been received by the knitted goods industry, the production of summer goods has been cut down. The stocking industry is working normally, but is to a certain extent producing for stock. The summer season is not shaping very favourably for the hat and garment industries. Unemployed textile workers represented 26 per cent of those employed.

In the building trades unemployment continued to increase, whilst it is too early yet to state how conditions will shape during the coming season.

As regards wages, the upward tendency which had been evident on the labour market during the preceding months was checked as a result of the general deterioration in the situation.

## GRAIN

— The level of prices on the home corn exchanges during February and the first half of March failed to improve and even declined still further.

The movement of prices during the period in question is illustrated by the appended table.

As will be seen from the figures quoted the greatest relative resistance to the bearish market during February was shown by wheat, which even seemed likely to rally towards the end of the month in question only to evince a decided fall during the first weeks of March. The prices of rye on the other

HOME EXCHANGES										Berlin	Chicago
Warsaw		Poznań		Lwów		Av. of 3 exch.					
₹	\$	₹	\$	₹	\$	₹	\$				
W H E A T											
Feb.	1—8	36'50	4'10	34'62	3'89	34'00	3'82	35'04	3'93½	5'68	4'33
"	9—15	36'25	4'07½	33'00	3'71	34'45	3'87	34'56	3'88½	5'68	4'32
"	16—22	35'62	4'00	33'00	3'71	36'50	4'10	35'04	3'93	5'51	4'34
"	23—28	36'50	4'10	33'00	3'71	35'55	3'99	35'01½	3'93	5'42	4'28
March	1—8	35'50	3'99	32'70	3'67	34'75	3'90½	34'32	3'85½	5'51	3'96
"	9—15	34'50	3'88	32'12	3'61	34'25	3'85	33'62	3'78	5'58	3'70
R Y E											
Feb.	1—8	20'75	2'33	22'06	2'47½	20'50	2'30	21'10	2'37	3'83	3'35
"	9—15	20'50	2'30	21'06	2'37	20'50	2'30	20'68	2'32½	3'83	3'29
"	16—22	19'80	2'22	19'30	2'16½	20'50	2'30	19'86½	2'23	3'83	3'12
"	23—28	19'00	2'13½	17'83	2'00	19'80	2'22	18'87½	2'12	3'83	3'03
March	1—8	16'75	1'88	16'70	1'87½	18'47½	2'07½	17'31	1'94½	3'73	2'81
"	9—15	17'06	1'92	16'74	1'88	17'75	1'99	17'18	1'93	3'40	2'40
B A R L E Y (brewing)											
Feb.	1—8	25'34	2'84½	24'93	2'80	—	—	—	—	3'94	—
"	9—15	25'09	2'82	24'00	2'70	—	—	—	—	3'94	—
"	16—22	24'56	2'76	24'00	2'70	—	—	—	—	3'93	—
"	23—28	24'50	2'75	23'83	2'68	—	—	—	—	3'93	—
March	1—8	23'50	2'64	22'70	2'55	—	—	—	—	3'93	—
"	9—15	23'00	2'58½	22'00	2'47	—	—	—	—	3'93	—
B A R L E Y (ordinary)											
Feb.	1—8	20'50	2'30	20'65	2'32	—	—	—	—	3'44	2'85
"	9—15	20'50	2'30	19'75	2'22	—	—	—	—	3'44	2'84
"	16—22	20'50	2'30	19'81	2'22	—	—	—	—	3'46	2'84
"	23—28	20'50	2'30	19'75	2'22	—	—	—	—	3'46	2'94
March	1—8	19'50	2'19	18'95	2'13	—	—	—	—	3'46	2'85
"	9—15	18'50	2'08	18'58	2'08½	—	—	—	—	3'46	2'73
O A T S											
Feb.	1—8	19'37	2'17½	16'93	1'90	16'90	1'90	17'73	1'99	3'10	3'16½
"	9—15	19'25	2'16	16'38	1'84	16'75	1'88	17'46	1'96	3'10	3'19
"	16—22	18'75	2'11	16'00	1'79½	17'25	1'93½	17'33	1'94	3'07	3'00
"	23—28	18'50	2'08	16'00	1'79½	17'05	1'91½	17'18	1'93	3'02	2'83
March	1—8	17'50	1'96½	16'00	1'79½	16'75	1'88	16'75	1'88	2'59	3'05
"	9—15	17'00	1'91	15'69	1'76	16'25	1'82	16'31	1'83	2'94	2'95

hand slumped steadily and heavily, with prices on the Poznań Corn Exchange falling much more heavily than on the Warsaw Exchange. This resulted in the prices at Poznań falling below the Warsaw quotations, although with the introduction of the export bounty system prices in the first-named city soared above those noted in the capital. The prices of barley declined very slowly during the first days of the period reviewed but the last week brought with it a considerable fall in prices. The prices of oats declined steadily but not at such a rate as those of rye.

Polish foreign trade in grain during February did not shape itself so favourably as during the preceding two months: a slight decrease in exports took place, this applying especially to rye, doubtlessly as a result of the Scandinavian and Baltic import markets

already being glutted with that type of grain. Polish imports of corn during the period under review were for z 152,626, whilst exports were for a value of z 15,260,150. The surplus of exports over imports was therefore for a value of z 15,107,524 as compared with z 20,894,000 in January and with z 20,136,029 in December last year. The foreign trade of Poland in grain during February as compared with January, and February last year is shown in the table below (in tons):

	February 1929	January 1929	February 1928
I m p o r t s :			
wheat	5,208	968	286
rye	271	119	30
barley	81	—	5
oats	394	75	175
E x p o r t s :			
wheat	211	3,649	2,289
rye	1,510	41,520	28,300
barley	20,195	30,359	26,069
oats	512	5,259	4,922



Most of the wheat imported into Poland came from Germany (68.1 per cent), 19.6 per cent from the United States, 10.6 per cent from Hungary and a small quantity from Canada. Rye and oat imports during the period reviewed came from Germany in their entirety. 94.5 per cent of the barley imported into Poland came from Czechoslovakia and the remainder from Germany. Exports of wheat during February were directed solely to Germany.

Rye was exported to the following markets: to Germany (37.8 per cent), Latvia (19.8 per cent), Danzig (9.1 per cent), Belgium (6.6 per cent), Sweden (5.7 per cent), Finland (5.4 per cent), Holland (5.2 per cent), Denmark (4.9 per cent), Estonia (2.7 per cent), Norway (2.6 per cent) and the insignificant remainder to Switzerland and Palestine.

Barley exports went to the following countries during February: Germany (25.3 per cent), Danzig (24.1 per cent), Denmark (17.1 per cent), Holland (12.5 per cent), Belgium (12.2 per cent), Switzerland (5.5 per cent), Sweden (1.7 per cent), and the remaining inconsiderable quantities to Latvia, Great Britain and Norway.

Exports of oats were sent during February to the following markets: Germany (58.2 per cent), Danzig (16.7 per cent), Switzerland (10.3 per cent), Holland (8.1 per cent), Belgium (4.3 per cent) and Denmark (2.4 per cent).

## BUTTER

— The situation on the butter market in the second half of February and the first half of March continued to be marked by falling prices. The exceptionally mild winter in Poland and in the whole of Europe in general had the result of increasing production and supply. It also proved difficult to market Polish butter abroad since Germany limited her purchases of butter in Poland and it became necessary to export to England greater quantities although the difficulties of that sale in that country are considerable in view of the lower grade of Polish butter. These export difficulties therefore also exerted their influence on the shaping of prices.

As a consequence of these factors, the prices of butter in Poland underwent decrease on several occasions during the period under review. The Warsaw Dairy Products Commission lowered the price of butter twice after February 20th, reducing the price for



WEIGHING AND PACKING OF BUTTER IN AN UP-TO-DATE DAIRY FARM IN POLAND

first grade butter by  $\text{zł}$  0.50 per kg. and that for other grades by  $\text{zł}$  0.40.

During the period under review wholesale prices for first quality butter shaped themselves as follows (in  $\text{zł}$  per kg):

	February 16th—28th	March 1st—15th
Warsaw	6.00	5.80
Lwów	5.40—5.80	5.60—5.80
Lublin	6.20—6.40	5.60—5.80
Katowice	5.80—6.00	6.00
Grudziądz	5.80	6.00

Polish butter exports during February were for a total volume of 755.1 tons having a value of  $\text{zł}$  4,198,100; of this, 573.9 tons went to Germany, 66.5 tons to Belgium, 45.8 tons to England, 39.0 tons to Switzerland, 17.4 tons to Denmark and smaller shipments to Italy, Austria, France, Holland and other countries. The volume of butter imports to Poland was quite negligible.

## EGGS

— The situation on the various Polish egg-markets continued to shape itself unfavourably during the second half of February and the first half of March. Prices continued to fall during the whole of this period, this being explained by a greater production [due to the mild weather, the existence of large stocks of preserved eggs and a relatively small consumption. Foreign importers, who had suffered severe losses due to the unexpected warm weather at this season of the year and to the premature-ly enhanced production of eggs, made

their purchases with great caution and limited them to a minimum: this resulted in large batches of the commodity having to seek buyers on the home market in Poland with a resultant drop in prices.

The situation improved somewhat towards the end of the period reviewed: the demand increased but better prices are not expected in the near future except on the home market.

During the period under review quotations for eggs were as follows at the various centres (in  $\text{zł}$  per case of 1.440 eggs):

	February 16th—28th	March 1st—15th
Bochnia	165—166, 17 <sup>1</sup> —178 <sup>1</sup> )	—
Kraków	151—160	165 <sup>1</sup> )
Lwów	124—129, 155—160 <sup>1</sup> )	—
Stanisławów	130—135, 165—168 <sup>1</sup> )	124—152 <sup>1</sup> )
Lublin	165—169, 200—208 <sup>1</sup> )	—
Wilno	—	162

Exports of eggs from Poland came to 2,555 tons during February this year with a declared value of  $\text{zł}$  6,555,800; of this volume, 1,402 tons were exported to Germany, 930.2 tons to Great Britain, 118.5 tons to Austria, 50.5 tons to Italy, 45.5 tons to Belgium and 8.4 tons to Switzerland. Imports of eggs to Poland during the period reviewed came to only 7 tons.

## TIMBER

— During February prices for round timber fell very heavily, thus indicating that producers had abandoned their waiting attitude in the expectation

<sup>1</sup>) For export.

<sup>2</sup>) Pickled eggs.





TRANSPORTATION OF LOGS TO SAW MILLS  
(PHOT. S. PLATER)

of better prices and had decided to liquidate their stocks of this year's felling even at the cost of considerable price-cutting. With the exception of fire-wood, this drop in prices affected all the grades and types of timber on the market and even of pit-props which had successfully maintained their prices in the face of the general weak tendency on the market. This particular drop in prices is doubtless connected with the deterioration of conditions in the coal mining industry with a consequent smaller demand as also with the disproportion which existed during the past few months between the prices of props and of saw-mill logs.

The drop in prices affected the latter type of wood most severely during February, prices having dropped in certain of the Directorates by as much as 7—9 points. On the whole, prices in the various Forest Directorates tended to even themselves up with each other, the transport charges being taken into consideration. The highest prices noted were in the Western Directorates, medium prices in the Central and the lowest in the Eastern Directorates. The high prices quoted by the Siedlce Directorate and published in our last issue, have turned out to be in accordance with expectations impossible of maintenance and appear in their changed form in the quotations given hereunder.

Prices for wholesale transactions in timber ex loading stations according to the reports of the State Forest Directorates for January and February 1930 were as follows (in zł per stacked and cub. m.):

pine logs for saw mills	Jan.	Feb.
(per cub. m.) Warsaw	60'00	53'00
" " " Radom	45'00	45'00
" " " Siedlce	56'00	47'50
" " " Wilno	40'00	38'00
" " " Białowieża	42'00	42'00
" " " Poznań	52'00	50'80
" " " Bydgoszcz	60'00	56'00
" " " Toruń	59'00	58'00
pine logs for building purposes		
(per cub. m.) Siedlce	52'00	44'00
" " " Białowieża	37'00	37' 0
" " " Wilno	35'00	32'00
spruce logs for saw mills		
(per cub. m.) Siedlce	48'00	40'00
" " " Lwów	37'00	37'00
oak logs for joinery		
(per cub. m.) Łuck	155'00	155'00
oak logs for saw mills		
(per cub. m.) Białowieża	90'00	76'00
pine pit props		
(per cub. m.) Warsaw	37'00	34'00
" " " Radom	32'00	32'00
" " " Siedlce	33'00	29'50
" " " Poznań	32'50	32'50
" " " Bydgoszcz	33'00	33'00
" " " Toruń	30'00	30'00
pulpwood		
(per stacked cub. m.) Siedlce	28'15	28'15
" " " Wilno	27'00	25'00
" " " Białowieża	27'15	26'45
pine fire wood		
(per stacked cub. m.) Warsaw	16'00	16'00
" " " Radom	16'00	16'00
" " " Siedlce	14'00	13'00
" " " Wilno	11'50	11'00
" " " Białowieża	16'50	16'00
" " " Poznań	17'80	17'80
" " " Bydgoszcz	20'00	20'00
" " " Toruń	17'00	17'00
spruce fire wood		
(per stacked cub. m.) Lwów	10'50	10'50
beech fire wood		
(per stacked cub. m.) Łwów	13'00	13'50

Export sales of timber shaped themselves rather more favourably during February than in January. The value of the wood exported rose by about 10 per cent in spite of the shortness of the month, the most important increase being noted in the case of sawn semi-worked material. This may be considered as the first sign of an

amelioration in the export situation arising out of the clearing up of the situation in Germany and the nearness of the spring building season. The entrance into force of the commercial treaty signed by Poland and Germany may also tend to relieve the situation. It is a fact, however, that as far as Poland's most important export item in timber is concerned — sawn timber — Germany's militant regulations were virtually annulled already in 1927 following the signing of a provisional timber agreement. Nevertheless, certain other import embargoes and militant customs dues were maintained by Germany and these will now doubtless be abolished. Examples of such measures are: the embargo against imports of plywood and veneers, worked-up sawn material, and prohibitive duties against coopers' wares. The opening up of Germany as a free market will be of great importance to the plywood, manufacturers who after a series of years of excellent conditions and unlimited sales possibilities, found it difficult during the past year to dispose of their products to such an extent as before.

## COAL

— The situation in the coal mining industry in February underwent further deterioration, due to the fall in the demand for household coal as a result of the warm weather, and to the drop in orders for industrial coal arising out of the general trade depression. Exports likewise fell off for the same reasons. This diminished demand resulted in a drop of 21'44 per cent in production during February as against the previous month. In connection with this reduction in output the collieries worked fewer full days, the number of part-time days being 18 per cent of the former. Pit-head stocks increased during the month. A drop in production was also noted in the coke and briquette industries.

The situation in the industry in February as compared with January is illustrated by the following figures (in thous. tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit-heads
Upper Silesia	2,286	1,048	734	1,277
Dąbrowa	531	250	132	408
Kraków	173	141	1	81
Total:	2,990	1,499	867	1,766
January <sup>1)</sup>	3,806	1,768	1,167	1,563
in relation to January	— 816	— 329	— 300	+ 203

<sup>1)</sup> Corrected figures.



The extraction of coal during February was 816,000 tons below the January figure and the average daily output (taking 24 working days) dropped by 27,000 tons to 125,000 tons. The pit-head stocks increased by 203,000 tons, amounting at the end of the month to 1,766,000 tons.

The large supply of coal available on the home market and the existence of large stocks collected by the wholesalers and large consumers in the expectation of a hard winter caused a further deterioration in the terms of sale. Transactions tended to be based on long-term credit, buyers proposing up to six-month bills in payment.

The exports of coal during February went to the following countries (in thous. tons):

	1927	1928	1929	1930	
					or in
Countries	February	January	February	January	increase or decrease relation to Jan.
<b>Northern European:</b>					
Sweden	156	148	71	231	172 — 59
Norway	13	51	29	78	63 — 15
Denmark	69	127	49	173	127 — 46
Finland	—	2	2	5	2 — 3
Latvia	38	38	23	75	56 — 19
Lithuania	10	3	2	7	7 —
Estonia	—	—	2	2	—
Memel	2	5	2	2	1 — 1
<b>Total:</b>	<b>288</b>	<b>374</b>	<b>180</b>	<b>573</b>	<b>428 — 145</b>
<b>Succession States:</b>					
Austria	203	262	250	180	141 — 39
Hungary	67	58	49	36	18 — 18
Czechoslovakia	52	106	87	69	61 — 8
<b>Total:</b>	<b>322</b>	<b>426</b>	<b>386</b>	<b>285</b>	<b>220 — 65</b>
<b>Other countries:</b>					
Rumania	9	8	2	7	4 — 3
Jugoslavia	11	8	1	2	1 — 1
Switzerland	16	11	11	9	9 —
Italy	175	36	14	44	60 + 16
France	21	40	24	120	59 — 61
Holland	—	3	7	9	5 — 4
Russia	7	—	—	8	— 8
England	—	—	—	—	—
Brazil	—	2	7	—	—
Belgium	2	6	—	6	4 — 2
Germany	1	2	1	—	—
Algeria	—	—	—	—	—
Ireland	—	—	—	—	—
U. S. A.	—	—	—	10	5 — 5
Iceland	—	—	—	2	5 + 3
Spain	—	—	—	—	—
<b>Total:</b>	<b>242</b>	<b>116</b>	<b>67</b>	<b>217</b>	<b>152 — 65</b>
<b>Danzig</b>	<b>28</b>	<b>21</b>	<b>38</b>	<b>18</b>	<b>17 — 1</b>
<b>Bunker coal</b>	<b>3</b>	<b>19</b>	<b>18</b>	<b>74</b>	<b>50 — 24</b>
<b>Total:</b>	<b>883</b>	<b>956</b>	<b>689</b>	<b>1,167</b>	<b>867 — 300</b>
<b>Loaded at:</b>					
Danzig	249	353	212	551	403 — 148
Gdynia	30	105	54	254	218 — 36
Other ports	6	—	—	—	—
<b>Total:</b>	<b>285</b>	<b>458</b>	<b>266</b>	<b>805</b>	<b>621 — 184</b>

From the above table it will be seen that Poland exported to northern European countries 425,000 tons, i. e. 145,000 tons less than in the month before; 220,000 tons to the Succession states, i. e. 65,000 tons less than in January;

to other countries together with bunker coal 202,000 tons or 89,000 tons less, and finally 17,000 tons to the Free City of Danzig, i. e. 1,000 tons less than in the preceding month.

The shares of the different countries in the Polish coal export trade are given below (in percentages):

Northern European countries	49.54
Succession States	25.29
Other countries	17.44
Danzig	1.96
Bunker coal	5.77
<b>Total:</b>	<b>100.00</b>

The average daily dispatch of export coal during the twenty-four working days in February came to about 36,000 tons, this being about 10,500 tons per day less than in January. Shipments of coal exported through the Polish ports decreased by 184,000 tons, falling to 621,000 tons; 403,000 tons were shipped through Danzig (a drop of 148,000 tons) whilst 218,000 tons went through Gdynia, this being 36,000 tons less than in January.

The number of workers employed at the collieries was 129,369, this representing a drop of 4,025. In connection with this decrease, the number of registered unemployed in the coal mining districts rose to 5,821 workers, i. e. an increase of 2,086.

The average daily extraction of coal per miner came to 1,217 kg, this being 20 kg below the January figure. Wages remained at the same level as in January.

The pithead prices of coal for the Convention markets remained unchanged with the exception of export shipments to Czechoslovakia in which case prices as from February 16th were reduced by from 2 to 3 per cent, depending on the quality. The prices of coal f. o. b. Danzig or Gdynia continued to fall and amounted to 14 shillings for large Silesian coal and 13 shillings for Dąbrowa coal. In view of the falling market, Scandinavian buyers showed a certain reserve in placing orders, evidently expecting a further drop in prices.

A special reduced railway tariff entered into force during the month of February having for its object the decrease of freight charges for the transport of coal dust. Ocean freights continued to exhibit a tendency to decline still further.

The output of coke during February came to 142,000 tons, i. e. 34,000 tons less than in January, whilst sales amounted to 98,000 tons. During the month an average of 2,855 workers were employed in this industry.

The output of briquettes during the month came to 19,000 tons, this being

12,000 tons less than in January. The total sales of briquettes fell off by 9,000 tons to 16,000 tons. An average number of 883 workmen were occupied by this industry during the month under review.

The output of lignite during February came to about 5,000 tons, i. e. approximately the same as in January: sales also were maintained at the same level as in the previous month. This branch of the coal industry employed an average of 303 workmen during the month.

## PETROLEUM

— The situation in the petroleum industry took rather a turn for the worse during February. The average daily output in the Boryslaw area fell off by about 30 tons as against the January figure. On the other hand the refineries showed much more activity than during the preceding month, but home consumption and export declined somewhat.

The output of crude oil in February in the three principal areas is given below (in tons):

Jasło district	6,000
Drohobycz "	39,782
Stanisławów "	3,518
<b>Total:</b>	<b>49,300</b>

Of the above mentioned quantity, the Drohobycz area accounted for 33,500 tons of Boryslaw Standard Crude and 6,282 tons of other special brands, as against 38,210 tons and 6,777 tons respectively in January. The average daily production at Boryslaw was therefore during February 1,196 tons (1,232 tons in January, and 1,236 tons in December). The decline of 36 tons in the daily production of crude oil in the Boryslaw area was caused by a natural drop in the output of some of the wells, by the clogging up of certain wells which up to the present had been producing considerable quantities and, finally, by the lack of new wells coming into production. The output of crude oil during February this year was relatively much larger than during the corresponding month of last year; but this was due to the fact that exceptionally keen frosts and deep snowdrifts seriously held up operations at that time last year.

Wages in the petroleum industry remained unchanged and labour relations were normal with no important conflicts. A conference has been fixed for March 20th at Lwów at which the employers and delegates of the workers are to discuss the possibility of higher wages.



This conference, called on the initiative of the Miners' Union of Poland, has little chance of success since the employers have declared in advance that they consider a rise in wages out of the question in view of the present unfavourable conditions reigning in the industry.

A total of 10,640 workers were employed in this industry on February 28th, thus showing a slight increase over the January figure of 10,773.

Drilling operations were fairly active, two new fields having been reported of which two are at Mrażnica; five old wells resumed production, whilst 14 new borings were in course of operation. In the southern part of Mrażnica no new developments of any importance took place although drilling continued throughout the month. Outside the Borysław area, drilling operations were quite active at Rypno and Schodnica. Ten wells are being drilled at Rypno, whilst the good results attained in the Schodnica area have done much to encourage operations and increase the number of borings. In the Jasło area, as a result of the very mild winter, operations are already in full swing and about 70 wells are in course of drilling.

The stocks of Borysław Standard Crude held by the storage companies and at the well-heads amounted to 5,074 tons on February 28th, thus exhibiting a drop of 4,133 tons when compared with those at the end of January. The stocks of crude oil in the Stanisławów area came to 2,176 tons as against 1,699 tons at the end of January.

The prices of petroleum products remained unchanged on the home market.

The situation in the natural gas industry is shown in the following table:

	Jan.	Feb.
throughput of gas (in thous. of cub. m.)	44,355	36,100
output of gas (in thous. of cub. m.)	24,390	21,794
output of gasoline (in tons)	3,251	2,956
home consumption	3,210	3,042
number of workmen employed	232	232

The number of gasoline works remained unchanged at the figure of 21 and the average yield of gasoline per 100 cub. metres was 13.6 kg. in January and the monthly average of 12.45 kg. during 1929.

The production of natural gas in the Borysław basin declined somewhat following the clogging up of the "Sosnkowski No. III" well which had been yielding 50 cub. m. of gas per minute.

On the other hand the "Joffe" and "Gdańsk" oilfields at Mrażnica reported an increased yield of gas during the month. In addition a new supply of gas was yielded by the "Polmin V" well at Gelsendorf, the production there being 110 cub. m. per minute.

The output of ozokerite during February came to 61.5 tons, three mines being in operation of which one however was engaged solely in constructing three new headings. Pit-head stocks of ozokerite amounted to 79.8 tons at the end of February, whilst exports (to Germany and Austria) totalled 38.5 tons. Labour conditions remained unchanged and quite normal: there were 468 workers engaged.

The following data will illustrate the state of the refining industry during February and January (in tons):

	Jan.	Feb.
throughput of crude oil	50,935	54,810
output of petroleum products	46,405	49,955
home consumption	38,760	30,217
exports	19,404	16,845
stocks of petroleum products on the end of the month	187,852	193,321
number of workmen employed	4,174	4,048

The throughput of the refineries increased in February as against January, and was more or less on the same level as that of the average monthly figure for 1929, i. e. 54,680 tons.

The state of the refining industry in February is illustrated by the following table (in tons):

	Benzine	Kerosene	Gas oil	Lubricating oil	Paraffine wax	Total
Output	10,606	14,643	10,782	8,574	2,871	49,955
Home consumption	5,383	12,953	5,565	3,761	688	30,217
Exports	2,540	1,832	5,564	3,323	2,261	16,845
Stocks on Feb. 28th	23,314	16,650	20,717	36,006	3,463	193,321

The export of petroleum products during the month reviewed was as follows (in tons):

benzine	2,540
kerosene	1,832
gas oil	5,564
lubricating oil	3,323
paraffine wax	2,261
other products	1,325
Total:	16,845

The distribution of the above mentioned exports is shown in the following statement (in tons):

Czechoslovakia	3,937
Austria	1,196
Switzerland	1,557
Germany	1,426
Hungary	227
other countries	3,037
Danzig	5,465
Total:	16,845

## IRON

— No improvement took place during February in the crisis which has been affecting the iron founding industry for some time past. In fact no great improvement can be expected until conditions on world markets generally become better. Another, specifically Polish factor, is that the purchasing ability of the farmers is still very low and that building is still carried on only to a very small extent. Finally the difficult position of the manufacturing industries using iron is likewise still far from satisfactory owing to the small demand for manufactured goods. The Government has already taken steps in order, at least partially, to improve the adverse conditions reigning on the market, by ordering goods for its own use and by extending tax relief measures, prolongations and credit facilities for agriculture. No great results can be expected, however, for some months to come and for the time being the situation will probably continue to remain unfavourable. The total number of orders received has even declined somewhat and there are serious difficulties in disposing of foundry products on the home market; the only bright feature of the situation is that export has increased considerably, thanks to orders received from the Russian government. There can be no doubt that these Russian orders have done much to relieve the situation for the foundry industry and to enable it to maintain a fairly average level of production accompanied by only a slight increase in unemployment.

The following table shows in percentages of the average monthly production in 1913, the output of the various branches of the foundries during the last four months:

	Nov.	Dec. <sup>1)</sup>	Jan. <sup>2)</sup>	Feb.
blast furnaces	67.6	55.0	60.6	49.5
steel works	75.7	61.0	76.7	73.3
rolling mills	72.5	60.9	72.5	73.2

It will be seen from the above that the chief drop in output has taken place in the production of pig-iron, but in this connection it should also be taken into account that the blast furnaces worked three days less during February than during January.

As a result of the steady decline in production of the blast-furnaces, the output of the iron-ore mines dropped considerably. Operations were suspended in two of the mines, whilst in many of the remainder production was limited in spite of the fact that this step always increases comparatively the

<sup>1)</sup> Corrected figures.

<sup>2)</sup> Provisional figures.





PIPE STORAGE SHED IN A LARGE POLISH FOUNDRY (PHOT. S. PLATER)

overhead expenses of the mines. The export of iron ore, which had been of great aid to the mines, has recently become impossible as a result of less favourable railway freights: negotiations are, however, in course of progress in order to change this state of affairs.

The extraction of iron-ore, imports and exports were as follows during February and January (in tons):

	Extraction	Imports	Exports
January 1930 <sup>1)</sup>	54.844	50.602	13.163
February 1929 <sup>2)</sup>	48.876	35.336	5.000
February 1929	45.759	53.859	15.322

From the above data it will be seen that the output of iron-ore declined by 5.968 tons during February as compared with that for January, i. e. by 10.9 per cent. It should be borne in mind, however, that there was one working day less in February than in January and thus the average daily output decreased by only 7.2 per cent. Compared with the February 1929 figures, the extraction shows an increase of 3.117 tons or of 6.8 per cent. Imports of iron-ore fell off greatly compared with the January figures, the difference being one of 15.266 tons (equivalent to 30.1 per cent), whilst this year the imports came to 18.523 tons, i. e. 34.4 per cent less than in February of last year. Imports of manganese ores amounted to 1.044 tons during February as against

2.525 tons in January, a drop of 1.481 tons or of 58.7 per cent.

During February, 23 iron-ore mines were in operation of which only three failed to produce any output, the reason being in their case that the demand had fallen off to such an extent that working proved unprofitable. The number of workers employed by the mines, came to 4.822 as against 4.928 in January, i. e. 2.2 per cent less. In February last year the number of employed was 6.090, so that there was a drop of 20.8 per cent this year in the number of men occupied.

The following table gives data regarding the output of the foundries (in tons) and the number of workmen employed:

	Pig iron	Steel ingots	Rolled products	Pipes	Number of workmen employed
Jan. 1930 <sup>1)</sup>	52.145	106.066	75.595	9.630	47.644
Feb. 1929 <sup>2)</sup>	42.487	101.577	76.899	8.333	46.450
February 1929	48.578	118.528	72.644	9.189	52.769

From the above it will be seen that only pig-iron decreased, but if it be taken into consideration that there were fewer working days in February than in January, then it will appear that production in the other branches of output remained virtually constant. Stocks also decreased very slightly since although export increased greatly, sales on the home market declined.

The output of pig-iron in February decreased by 9.658 tons or by 18.5 per cent compared with the January figure, but allowing for the smaller number of working days the actual decrease will be found to be one of only 9.8 per cent. Compared with February 1929, the output this year fell by 12.5 per cent, having dropped by 6.091 tons. The output of steel decreased by 4.489 tons, i. e. by 4.2 per cent, as compared with the corresponding figure for January this year: the daily output, however, fell off by only 0.24 per cent. Compared with the output in February 1929, a decrease of 16.951 tons has taken place, i. e. one of 14.3 per cent. The only branch of production which showed an increased output was that of the rolling mills, which increased their production by 1.304 tons, i. e. 1.7 per cent over the January figure, whilst the average daily output rose by 6 per cent. An increase was also shown as against the February 1929 figures, the difference being 4.255 tons or of 5.9 per cent.

Finally the output of pipes which increased fairly considerably during January, decreased during February. In comparison with January the drop was one of 1.297 tons or 13.5 per cent, whilst the average daily output fell off by 9.9 per cent. The output in February of this year was 856 tons less than in the corresponding month of last year, or a fall of 9.3 per cent,

<sup>1)</sup> Corrected figures.  
<sup>2)</sup> Provisional figures.

<sup>1)</sup> Corrected figures.  
<sup>2)</sup> Provisional figures.



The volume of orders received during February continued to decline, this applying to both home and foreign business, with the exception of Russian. According to the statistics furnished by the Syndicate of Polish Iron Foundries, which do not include foreign orders, pipes and pig-iron, the total volume of orders received during February amounted to 27,455 tons as against 30,522 tons in January, and 35,623 tons in February of last year. In the last case the difference is one of only 23 per cent whilst compared with January the February figure is 55 per cent lower.

Government orders received during February came to 7,436 tons as against 477 tons in January. Private orders fell from 30,045 tons in January to 20,019 tons in February: in February 1929, private orders came to 32,463 tons.

The number of workers employed in the iron foundries dropped by 1,194 i. e. by 2.5 per cent: in February last year the number of men employed was greater by 6,319 or by 12 per cent.

Imports and exports of foundry products in February, as compared with the previous monthly periods, are given below (in tons):

	Imports:			Exports:		
	Jan. 1929	February 1929	Feb. 1930	Jan. 1929	February 1929	Feb. 1930
pig iron	356	851	430	285	201	260
rails, iron and steel articles	3,131	3,697	4,368	14,004	3,735	27,193
iron and steel sheets	1,337	734	1,356	9,054	2,942	10,351
pipes	189	140	207	6,153	5,047	4,937
Total:	5,013	5,422	6,361	29,496	11,925	42,741

Exports of foundry products finding a market in Russia increased greatly, but those of other types fell off. The total exports increased compared with the January figure by 13,245 tons, i. e. by 45 per cent, whilst compared with that for February 1929 the increase was one of 258 per cent. The value of the foundry products exported rose from £ 12,601,000 in January to £ 16,346,000 in February, or by 29.8 per cent; the value of the corresponding exports in February 1929 came to only £ 6,273,000.

## ZINC AND LEAD

The unfavourable conditions reigning on the international zinc market for some months past deteriorated still further during the second half of February, a further drop in the demand taking place with a consequent decline in prices. This likewise affected the Polish zinc market very adversely, the

more so that in addition to the scarcity of orders, the prices of the products sold were such that the foundries found their financial situation threatened, and in some cases the danger existed that the works would be closed down. Those foundries which prepared themselves in order to cope with the new conditions of production, found themselves in a better position than the others, but it is doubtful if even they will be able to operate at the present price of zinc, viz. about £ 18 per ton. Production, however, has hardly changed since the last month but this is because limiting output would so increase the cost-price per ton that no foundry could find it profitable to work under such conditions. The foundries therefore worked for stock.

The output of zinc and lead products during the past four months is given in the following table (in percentages), the average monthly production for 1913 being taken as the basic 100:

	Nov.	Dec.	Jan. <sup>1)</sup>	Feb. <sup>2)</sup>
Raw zinc	84.0	86.0	89.5	85.0
Zinc sheets	40.4	42.0	42.5	29.3
Raw lead	92.4	94.0	100.3	102.0

It will be noted from the above table that the output of zinc and lead decreased somewhat. This is, however, as a result of the fewer number of working days in February. The production of lead even exceeded, for that matter, the pre-war average output.

The situation as regards lead also took a turn for the worse during February. The lack of orders forced the foundries to work for stock, even the home demand having declined. Prices of lead fell considerably during the latter half of February, this fact reacting unfavourably on the financial position of the lead foundries.

The output of zinc and lead ore was at approximately the same level as in January. The extraction and imports of zinc and lead ore (in tons) and the number of workmen employed are given below:

	Extraction:		Imports:		Number of workmen employed
	ores gross amount	enriched ores	zinc ores	lead ores	
January 1930 <sup>1)</sup>	92,320	28,600	14,630	3,549	6,812
February 1929 <sup>2)</sup>	90,253	28,000	18,292	2,280	6,357
February 1929	83,056	25,000	15,370	2,443	6,525

The extraction of zinc and lead ore during February decreased by 2,067 tons or by 2.2 per cent as against that in January and by 7,197 tons or 8.6 per cent as against the February 1929 figure.

<sup>1)</sup> Corrected figures.

<sup>2)</sup> Provisional figures.

The import of zinc ore increased by 3,662 tons in February, i. e. by 25.0 per cent and was 2,922 tons or 19 per cent larger than in the corresponding month of last year. The import of lead ore on the other hand was smaller by 1,269 tons than in January, i. e. by 35.7 per cent and 218 tons or 8.7 per cent less than in February 1929.

The output of zinc oxide during February came to 3,813 tons as against 4,190 tons in January, the decrease of 377 tons therefore represents a drop of 9 per cent. Compared with February 1929, the production was 134 tons greater, i. e. 3.6 per cent. The number of workmen employed in the zinc oxide plants came to 491 as against 486 in January.

The number of workmen employed at the zinc and lead mines, together with those at the ore enrichment plants, decreased by 455 hands, i. e. by 6.7 per cent, whilst the drop as compared with February of last year amounted to 168, or 2.6 per cent. The work of the smelting plants is illustrated by the following table (in tons):

	Sulphuric acid 50° Be	Raw zinc	Zinc sheets	Raw lead	Number of workmen employed
January 1930 <sup>1)</sup>	29,320	12,908	1,750	3,589	11,530
February 1929 <sup>2)</sup>	20,257	12,012	1,207	3,634	11,448
February 1929	25,282	11,757	1,169	1,840	12,619

The figures given above do not include electrolytic zinc, the output of which during February came to 1,581 tons as against 1,441 tons in January, i. e. 9.7 per cent more with an increase in the average daily production of 21.3 per cent. The production of this type of zinc during February 1929 came to 600 tons.

The output of the smelting plants decreased by 896 tons or 6.9 per cent as compared with January, but if it be taken into consideration that the plants had three working days less in February than in the preceding month, it will be seen that the average daily production rose by 3 per cent. Compared with the production in February 1929 the output in the month under review was greater by 255 tons.

The output of zinc sheets decreased considerably, falling by 543 tons when compared with that in January, i. e. 31 per cent. The average daily production, however, fell by 28.1 per cent. The output in February 1929 was 38 tons or 3.3 per cent less than in the month under review.

<sup>1)</sup> Corrected figures.

<sup>2)</sup> Provisional figures.





A CORNER OF ONE OF THE WORKSHOPS IN A POLISH CHEMICAL FACTORY (PHOT. S. PLATER)

The production of lead increased by 45 tons or by 1·25 per cent over the January figure, whilst the increase in the average daily production came to 5·4 per cent. Compared with February of last year, the production this year was 100 per cent greater.

The smelting plants found considerable

difficulty in marketing their sulphuric acid production in Poland as a result of the slackness in the artificial fertilizer industry. They therefore endeavoured to extend their foreign markets for this product. The production of the acid was much limited during February, the drop amounting to 31 per cent; further

limiting of this productions cannot, however, take place. The stocks on hand increased very slightly.

The number of workmen employed at the zinc and lead foundries declined by only 82, this being barely a 0·7 per cent reduction as compared with the preceding month. Compared with February of last year the decrease is relatively much greater, being one of 1·471 or 11·6 per cent.

The exports of zinc and lead foundry products during the month were as follows:

	Exports:			
	January		February	
	tons thous. of		tons thous. of	
	£		£	
Raw zinc, dust incl.	8,901	8,120	9,187	7,901
Zinc sheets	1,310	1,553	1,141	1,376
Refined lead	629	588	1,167	1,093
Total:	11,840	10,261	11,495	10,372

From the above it will be seen that whilst exports shrank in volume by 345 tons (2·9 per cent), they rose in value by £ 111,000 or by 1·1 per cent. The export figure for February 1928 came to 10,791 tons valued at £ 11,935,000. The export during February of this year was therefore 704 tons greater i. e. 6·5 per cent, but as regards value the contrary was the case, there being a drop of £ 1,563,000 or 13·1 per cent.

**MOVEMENT OF PRICES.** — During February the money market was much easier in Poland. This was due, however, not to a greater supply of money but to a decline in the value of the business transacted and far-reaching caution in granting new credits. As a result, further restrictions were introduced in discounting bills, which in turn resulted in a drop in the number of protested bills on the private discount market. In the Bank of Poland the percentage of protested bills fell to 5·92 per cent as against 6·12 per cent in January. As in the previous month, supplies of ready money continued to improve in industrial regions but demands for credit from the agricultural areas continued to be very strong and for this reason almost no improvement could be noted.

The restriction in turnover mentioned above very quickly resulted in the appearance of a very characteristic feature of trade depressions — that of a fall in prices. This symptom is undoubtedly a reflex of world conditions as regards prices for agricultural products in general, but none the less

it exercised an effect on industrial prices also. This justifies the presumption that this process will lead to a restoration of the equilibrium between supply and demand which was been so badly shaken during the past few months.

The movement of price indices is given below (January 1914=100):

	Wholesale price index:	Retail price index:	Cost of living index:
February 1929	117·6	160·7	127·5
March "	117·9	162·0	124·4
April "	117·1	161·7	125·1
May "	113·0	165·4	125·1
June "	112·6	162·3	123·3
July "	113·3	162·2	123·4
August "	112·7	160·3	122·6
September "	111·2	156·6	122·8
October "	110·4	156·3	123·5
November "	112·2	157·4	124·8
December "	109·2	158·2	126·1
January 1930	104·5	154·2	120·9
February "	100·6	151·2	117·9

It will be noted from the above table that the wholesale-price index fell by 3·7 per cent, that for retail prices by 2·0 per cent and that for the cost of living by 2·5 per cent.

The drop in the index of wholesale prices was brought about by a drop of 7·4 per cent in the prices of agricultural

products and one of 0·9 per cent in those of manufactured articles. The groceries group showed no change in prices.

The drop in prices of agricultural products was brought about by a decline in the two component sections, i. e. a fall of 8·4 per cent in vegetable products and of 6·1 per cent in animal products. Although vegetable products continued to fall the rate of decline was not so great as in January.

With regard to the prices of animal products, a certain improvement was noted in the prices of meat especially in the case of beef and mutton. Prices of eggs and butter, however, decreased considerably.

In the manufactured goods group the index of prices for textiles dropped by 2·4 per cent as a result of a decline in the prices of wool and cotton; this drop was accompanied by a fall in metal products as a result of lower zinc and lead prices. The price-index of the miscellaneous group rose by 0·1 per cent, whilst those of timber and coal remained unchanged.



The drop in the index of retail prices, so symptomatic of an economic depression, was caused by a drop of 4 per cent in the prices of agricultural products and one of 0.2 per cent in those of manufactured goods. The drop in the index of the cost of living was brought about by a decrease of 4.9 per cent in the index of foodstuffs, 3.5 per cent of fuel and of 0.1 per cent in the index of the remaining items with the exception of clothing and rent which remained constant.

## FAIRS AND EXHIBITIONS

**POLISH FIRMS AT THE LEIPZIG FAIR.**—The expected conclusion of negotiations for the Polish-German Commercial Treaty, which has since been signed and now awaits ratification, resulted in numerous Polish firms participating in the famous annual Leipzig Fair for the first time since the War. The Leipzig Fair has for many years past played an important part in Polish-German economic relations but one in which Poland's was a purely passive share. Thus the Fair was of little or no help in placing Polish goods on the Germany market and merely facilitated the ordering of German goods for export to Poland. Thus, for example, in 1928, the volume of business actually concluded or initiated at the Fair by Polish importers came to RM 235,000,000, i.e. nearly a half of all German export to Poland in that year.

This year, however, the Polish merchants who came to visit the Fair came not only to buy but also to sell and thus made a first attempt to utilise the Fair as a means for furthering the active trade expansion of Poland. This step proved to be well-advised since it permitted Polish products to be shown to German businessmen and to the general public, whose knowledge of Poland's production had been quite small in view of the fact that only a very limited number of German merchants had been dealing with Poland in the past, and these had come to Poland in order to make their purchases on the spot. It was this lack of contact between the Polish producer or salesman and the German consumer which had constituted the greatest weakness in Polish-German economic relations hitherto. Poland's participation in this year's Fair had therefore as one of its principle objectives the attainment of this direct contact between Polish industry and the German market.

It is gratifying to report that this aim was fully achieved. All the Polish exhibitors without exception succeeded in putting through important transactions during the period of the Fair and furthermore created profitable connections for the future. Transactions were concluded in the following groups of production: metal products, machinery, enamelled ware, metal alloys, hair products, eiderdown products, wooden articles, tobacco products (the Polish State Tobacco Monopoly), printing trade

products, gramophone records, hops, marble, &c.

The Polish exhibitors were grouped together in a special pavilion, the organisation of which was undertaken by the State Export Institute of Poland. The Institute conducted its own information office within this building, affording advice and data regarding Poland's export possibilities. About 250 persons profited by this service, these having been for the most part businessmen who had never been in direct touch with Polish industry before. The great interest taken in the Polish section of the Fair was such that excellent results can be expected from Polish participation in this important annual event for all concerned.

## TREATIES

**GERMANY RATIFIES THE POLISH-GERMAN LIQUIDATION AGREEMENT.**—With the signing of the Hague Agreements, which regulate the question of war reparations and the liquidation of the post-War financial claims of a number of European countries, it became possible for Germany to ratify an understanding with Poland "liquidating the past", which had fundamentally been attained as long ago as October 31st, 1929. The ratification of this Agreement was made dependent upon the entrance into force of the Young Plan.

After overcoming certain difficulties, the Reichstag voted on March 12th of this year the ratification of both the Young Plan and of the Polish-German Liquidation Agreement. The Young Plan Ratification Act was signed by the President of the German Republic on March 13th, whilst that dealing with the Polish-German Agreement was signed by him on March 18, 1930.

## FOREIGN TRADE

—The foreign trade of Poland, including the Free City of Danzig yielded a favourable balance of £ 36,423,000 during February comparing well with that for January, which amounted to £ 1,883,000. This favourable balance was the result of a considerable drop in imports both from the point of view of value (a decrease of £ 35 million) and from that of volume, which dropped by 38.8 thous. tons. Exports increased only slightly, gaining £ 0.5 million in value and 158.4 thous. tons in volume, the latter gain being accounted for mostly by coal exports.

Imports during the month amounted to 281.4 thous. tons valued at £ 181,700,000. Exports came to 1,574.3 thous. tons having a value of £ 218,100,000. It should be borne in mind, when comparing these figures with those for other months, that February is the shortest month in the year and that for

this reason the turnover in that month must, especially in the case of mass imports or exports be about 3 per cent lower than for the other months. As regards imports, however, the large decrease noted is due mostly to a drop in the purchasing capacity of the nation market and the abandonment of many investment works, coupled with the crisis reigning in the various branches of industry, particularly in the textile industry.

Compared with the previous month the import of foodstuffs decreased by £ 6.4 million, that of machines and apparatus by £ 4.1 million, and that of raw materials, semi-manufactures (yarn) and textile products by £ 14.6 million. On the other hand, the import of artificial manures, which is just starting its season, rose by £ 3.3 million, calcium nitrate used in place of Chilean saltpetre, accounting for much of this increase.

Exports showed a decrease in foodstuffs amounting to £ 10.5 million. This was due to the exhaustion of export stocks as in the case of sugar.

The export of fuel also declined: thus, coal exports dropped by £ 5.3 million doubtless as a result of the mild winter, whilst petroleum products dropped by £ 1.6 million. A decrease of £ 1.5 million took place in the export of textile products and raw materials. The export of live pigs improved somewhat, rising by £ 4.1 million. Timber exports increased by £ 2.7 million, probably due to a certain extent to expectations of the Polish-German Commercial Treaty being signed. Finally, artificial manure exports were £ 3.3 million more than in January, whilst foundry products increased by £ 4.4 million.

In the various import groups the following changes took place as compared with the January returns: there was a general decrease amounting to £ 6.4 million, of which the greatest decline was shown by rice (one of £ 3.9 million). Plums decreased by £ 0.8 million, whilst herrings fell by £ 1.2 million. Edible vegetable fats decreased by £ 1.4 million but lard amongst the animal fats grew by £ 2.0 million. In the groceries division spices decreased by £ 0.5 million, whilst tea rose by £ 0.1 million and cocoa by £ 0.3 million. Tobacco increased by £ 0.9 million, while fodder decreased by £ 0.6 million.

The import of leather declined by £ 0.8 million and that of furs by a like amount; raw furs, however, increased by £ 0.7 million. In the seeds division, the import of oil-bearing seeds decreased



## I M P O R T S

## E X P O R T S

GOODS	February 1930	Jan.-February		February 1930	Jan.-February		GOODS	February 1930	Jan.-February		February 1930	Jan.-February	
	1930	1929	1930	1929	1930	1929		1930	1929				
	Volume — in tons		Value — in thousands of £		Volume — in tons			Value — in thousands of £					
TOTAL:	281.412	601.628	848.824	181.689	398.337	554.583	TOTAL:	1,574.338	3,307.099	2,875.337	118.092	436.683	383.906
Foodstuffs	27.553	67.508	86.764	30.608	67.756	81.194	Foodstuffs	145.184	335.971	171.153	59.576	129.681	94.582
including:							including:						
wheat	286	1,254	10,344	110	480	4,904	wheat	2,289	5,938	371	906	2,332	178
maize	416	1,499	3,775	110	411	1,539	rye	28,300	69,820	2,584	6,488	16,672	982
rice	111	7,485	1,408	64	3,689	1,044	barley	26,069	56,428	38,070	6,881	15,324	14,485
malt	190	410	2,024	120	266	1,959	beans	2,589	6,230	6,172	1,055	2,687	3,344
plums	485	1,459	2,329	385	2,550	3,152	potatoes and prod	1,291	3,233	4,610	789	2,161	3,538
lemons and oranges	1,921	3,759	3,305	1,306	2,479	2,692	sugar	1,101	3,848	6,099	327	1,190	1,322
nuts	139	255	452	328	592	1,353	m. at	30,721	84,317	51,358	12,567	34,114	25,118
spices	113	309	354	495	1,494	1,792	including: bacon	2,922	4,681	6,186	8,624	13,595	16,203
tea	170	342	390	1,354	2,610	3,252	ham	1,553	2,443	215	5,739	8,855	584
cocoa	658	1,158	1,012	1,393	2,476	2,947	butter	177	300	32	660	1,117	136
coffee	571	1,163	1,217	2,092	4,272	5,608	eggs	755	1,535	1,616	4,118	8,542	10,373
fish	550	1,025	904	877	1,684	2,046	hops	2,555	3,518	898	6,556	9,464	3,126
herring	10,331	22,744	26,153	5,770	12,739	15,048	forage	138	303	251	237	618	1,395
edible fats of animal orig	2,083	3,412	2,129	5,471	8,841	5,536	Live animals (head)	34,106	65,982	32,160	6,063	11,824	8,243
edible fats of veg. origin	1,016	3,036	3,425	1,643	4,657	5,430	including:	112,881	217,958	199,362	19,302	32,113	30,145
tobacco	1,497	3,051	2,524	3,696	8,335	9,561	pigs	68,134	115,100	169,382	14,171	23,461	28,169
forage	1,802	5,269	12,399	561	1,675	4,954	Animal products (head)	1,944	3,818	1,899	6,531	12,201	8,978
Live animals (head)	6,034	51,431	47,616	399	1,016	368	including:						
Animal products	2,400	4,857	5,141	12,890	26,613	35,595	dried skins	865	1,689	630	2,290	4,477	2,016
including:							raw furs	103	202	131	1,162	1,987	3,271
raw skins	1,287	2,635	2,130	3,137	6,299	7,076	Timber and wood ware	247,504	458,604	464,176	30,590	58,487	56,888
furs (raw)	228	421	771	2,249	3,758	6,675	including:						
furs	2	9	29	256	1,262	2,875	pulpwood	72,375	135,803	175,890	4,651	8,865	11,305
tanned hides	219	485	541	5,041	10,325	14,047	pit props	27,723	50,487	71,103	1,463	2,665	3,765
Timber and wood ware	4,249	9,425	8,606	1,607	3,738	8,508	round wood and logs	31,922	54,231	49,885	3,579	6,523	5,414
Plants and seeds	2,362	4,076	2,227	2,293	4,124	6,572	planks, deals, battens	67,346	122,628	96,216	12,267	22,447	20,154
including:							railway sleepers	19,741	34,815	23,322	2,739	5,128	3,744
oil seeds	1,753	2,769	5,340	1,292	2,037	3,850	cooper's wares	2,655	4,997	3,326	815	1,561	1,024
Building materials,	84,537	176,058	177,125	2,053	5,182	6,218	furniture	495	981	1,390	1,147	2,339	3,003
including:							veneers	2,647	6,015	5,956	1,965	4,628	4,807
ceramic products	5,862	13,542	18,590	1,386	3,429	4,130	Plants and seeds	11,017	20,795	22,174	8,860	17,449	18,654
glass	1,028	2,031	1,324	953	2,506	2,025	Building materials,	37,240	85,877	87,190	1,579	3,261	2,144
Fuel and petroleum	11,763	30,288	44,028	899	2,110	2,888	minerals, ceramic						
products	694	1,784	2,274	4,895	12,198	15,837	prod.						
Rubber	41,948	87,274	82,239	21,898	42,795	66,927	including:						
Chemicals	5,030	22,975	48,762	143	906	2,502	cement	8,000	14,317	6,010	599	1,060	513
including:							Fuel	1,029,166	2,218,932	2,002,942	27,187	59,763	59,254
phosphate rock	6,167	6,817	42,083	1,506	1,651	7,088	including:						
potassium salts	20	108	38,052	9	47	16,976	coal	1,022,353	2,203,504	1,984,353	26,893	59,111	58,467
Chilian saltpetre	14,324	21,257	7,330	5,190	7,595	2,663	petroleum prod.	11,918	27,108	24,417	4,587	10,825	10,080
Norwegian saltpetre	6,823	11,397	21,814	717	1,264	2,736	petroleum	1,703	4,295	4,103	348	860	930
Thomas slag	2,383	4,977	5,020	3,808	7,709	7,830	lubricating oils	5,455	10,501	9,872	1,060	2,125	1,785
vegetable fats	1,060	2,424	2,757	1,638	4,104	4,524	benzine	2,683	6,720	5,354	1,049	2,585	2,262
animal fats	1,588	3,171	2,295	1,369	2,552	2,347	paraffine wax	2,077	5,492	5,091	2,010	5,255	5,103
Ores, metals and metal	83,411	175,138	275,350	21,937	44,316	62,558	Rubber	89	143	62	648	1,160	634
products	36,380	89,507	107,215	2,097	5,034	5,912	Chemicals	24,763	88,961	31,988	7,468	12,213	10,531
including:							including:						
iron and manganese ores	18,292	30,922	31,407	4,157	7,350	7,983	artificial fertilizers	17,741	24,012	17,314	4,408	5,559	4,263
zinc ores	17,996	30,615	111,884	2,684	4,829	16,034	organic chemicals	3,168	6,012	5,354	1,744	3,316	2,917
scrap iron	4,368	7,499	9,068	1,251	2,336	3,016	Metals and metal	56,004	98,347	52,010	28,531	53,147	43,531
iron, steel, rails	179	577	598	452	1,082	1,516	including:						
iron and steel wire	73	187	260	732	1,737	2,111	iron and steel rails	27,193	41,197	8,144	8,360	12,753	2,841
mechanical appliances	654	1,364	2,331	3,174	6,570	9,481	iron and steel sheets	10,351	19,405	6,538	4,106	7,503	3,957
copper and copper prod.	67	154	158	563	1,269	1,529	pipes	4,937	11,090	10,601	3,759	8,414	6,586
aluminum	79	157	297	350	822	1,625	zinc and zinc dust	9,187	18,088	18,840	7,901	16,020	20,621
Machinery and electr.	2,870	6,269	10,703	15,287	34,694	51,566	zinc sheets	1,141	2,451	1,886	1,376	2,929	2,536
appliances	318	766	1,144	1,184	2,942	3,973	Machinery and electr.	385	660	1,239	1,039	1,946	2,944
including:							Means of communi-	54	231	35	86	442	140
engines	242	543	722	2,156	4,519	5,436	cation	3,639	4,936	1,842	1,520	2,547	1,050
electrical machinery	263	549	1,260	1,049	2,484	5,822	Paper and products	2,955	3,713	1,063	1,366	1,682	287
wood and metal working							including:						
machinery							cellulose	2,955	3,713	1,063	1,366	1,682	287
boilers and heating							Textiles and textile	3,244	7,933	10,252	17,949	37,398	38,893
appliances	433	779	2,039	1,055	3,977	8,166	including:						
electrical wares	764	1,617	2,148	7,070	16,134	16,743	flax and hemp	1,481	4,279	6,257	1,393	4,070	7,482
Means of communicat.	596	1,233	2,016	3,927	9,092	15,189	woolen rags	113	294	252	318	833	1,403
including:							woolen yarns	261	555	386	5,117	10,823	8,704
motor cars	409	891	1,569	2,764	6,365	9,089	woolen fabrics	82	159	179	2,963	5,608	6,931
Paper books, pictures	5,152	12,656	14,327	5,951	13,879	16,283	cotton yarns	216	365	174	1,190	2,024	1,189
Textiles and textile	7,327	17,947	26,360	43,140	100,880	159,058	cotton fabrics	148	335	442	1,704	4,019	5,176
products							artif. silk	92	153	20	1,824	3,006	487
including:							silk fabrics	14	22	13	1,988	3,279	2,472
jute	1,577	3,734	4,446	1,830	4,386	5,659	webs and jute bags	365					





NEWLY ERECTED SANATORIUM FOR DISABLED WAR WETERANS,  
UPPER SILESIA

by  $\text{£} 0.5$  million. In the rubber division there was a general drop amounting to  $\text{£} 1.3$  million, caused by a drop of  $\text{£} 0.7$  million in imports of rubber and gutta-percha, and of  $\text{£} 0.9$  million in rubber footwear, while rubber tyres and inner tubes increased by  $\text{£} 0.5$  million.

An increase in the imports of artificial manures took place during February, those of potassium salts rising by  $\text{£} 1.4$  million whilst Norwegian calcium nitrate imports rose by  $\text{£} 2.8$  million.

In the machinery division a fairly large drop in imports was noted in February, the total decrease amounting to  $\text{£} 4.1$  million. This decrease was accounted for by the following: imports of textile machinery dropped by  $\text{£} 1.9$  million, of agricultural machinery tools by  $\text{£} 0.6$  million, metal and wood-working machinery by  $\text{£} 0.4$  million and of electrical machines by  $\text{£} 0.2$  million. The import of electro-technical appliances and materials also decreased, falling off by  $\text{£} 2.0$  million, which included a drop of  $\text{£} 0.6$  million in imports of transformers.

Imports of means of communication decreased to the extent of  $\text{£} 1.2$  million, of which  $\text{£} 0.8$  million was represented by automobiles.

A decrease in the imports of raw materials for the textile industry was noted during February, raw cotton imports falling by  $\text{£} 6.2$  million, those of wool by  $\text{£} 2.9$  million, of jute and jute waste by  $\text{£} 0.7$  million, of woollen yarns by  $\text{£} 0.9$  million, cotton fabrics

by  $\text{£} 0.4$  million and woollens by  $\text{£} 0.2$  million, whilst silk yarns declined by  $\text{£} 0.2$  million.

Besides the decreases in imports enumerated above there was a drop in imports of paper products amounting to  $\text{£} 1.7$  million, and in books, periodicals and printed pictures by  $\text{£} 0.3$  million; apart from these no further changes of noteworthy importance took place.

Exports showed only a very slight decrease, which amounted to  $\text{£} 0.5$  million. The changes which took place in the individual groups were, however, quite considerable. In the foodstuffs group there was a total decrease of  $\text{£} 10.5$  million, mostly accounted for by a drop in the export of sugar which amounted to  $\text{£} 9.0$  million. This decrease resulted from the fact that the sugar export season is nearing its close. Exports of corn also fell off, wheat exports decreasing by  $\text{£} 0.5$  million, those of rye by  $\text{£} 3.7$  million, and of barley by  $\text{£} 2.0$  million. Exports of potatoes and their products declined by  $\text{£} 0.5$  million. Exports of meat increased during February, as bacon rose by  $\text{£} 2.0$  million. The egg season commenced in February with a result that the exports of that commodity grew in value by  $\text{£} 3.6$  million.

The export of live pigs increased by  $\text{£} 4.9$  million, whilst that of cattle grew by  $\text{£} 3.1$  million. Horses were exported for an amount  $\text{£} 0.6$  million. In the animal products group, the export of

raw hides increased by  $\text{£} 0.1$  million of raw furs by  $\text{£} 0.3$  million, and of feathers and down by  $\text{£} 0.4$  million.

Exports of timber increased by  $\text{£} 2.7$  million, accounted for by larger exports of sawn timber, which increased by  $\text{£} 0.6$  million, and of logs, trunks &c. which rose by  $\text{£} 0.6$  million. On the other hand the export of veneers declined by  $\text{£} 0.7$  million. Exports of fuel fell considerably, declining by  $\text{£} 7.1$  million, which is accounted for by a fall of  $\text{£} 5.3$  million in coal exports, of  $\text{£} 0.5$  million in gasoline, and of  $\text{£} 1.1$  million in paraffine.

In the chemicals group, the export of artificial manures (nitrogen products) is increasing, and showed a growth of of  $\text{£} 3.3$  million during February.

An increase in exports was shown by the metals group amounting to  $\text{£} 3.9$  million. The export of rails, iron and steel grew by  $\text{£} 4.0$  million, and that of iron and steel plate by  $\text{£} 0.7$  million.

The export of scrap-iron also increased as against the January figure by  $\text{£} 0.6$  million. The export of pipes fell off by  $\text{£} 0.9$  million and that of zinc by  $\text{£} 0.2$  million.

In the textile group the general decline in exports amounted to  $\text{£} 1.5$  million. This difference was composed of the following: a drop in the export of flax and tow amounting to  $\text{£} 1.4$  million, in hair and animal-down by  $\text{£} 0.4$  million, in jute sacks and fabrics by  $\text{£} 0.3$  million,



in woolen yarn by £ 0.6 million and in cotton fabrics by £ 0.9 million. These losses were, however, compensated for to a certain degree, by larger exports of cotton yarn which grew by £ 0.1 million, of silk fabrics with an increase of £ 0.7 million, and of artificial silk exports which increased by £ 0.6 million. The export of cellulose increased during February as against January to the extent of £ 1.1 million.

No other noteworthy changes took place in the exports of Poland during February.

## OPENINGS FOR TRADE AND BUSINESS WITH POLAND

Particulars of any of the under-mentioned offerings may be secured on applying to the Editor, "The Polish Economist", and quoting the respective Ref. No.

The Editor accepts no responsibility for the consequences of any transactions concluded.

**Ref. No. 273:** Polish manufacturers of printing machinery are desirous of getting into touch with foreign importers.

**Ref. No. 274:** Polish manufacturers of agricultural implements are desirous of extending their foreign relations.

**Ref. No. 275:** Polish manufacturers of metal furniture are desirous of getting into touch with foreign buyers interested in this line.

**Ref. No. 276:** Polish manufacturers of chains of all types wish to get into touch with foreign buyers.

**Ref. No. 277:** Polish manufacturers of aluminium hollow ware are desirous of extending their foreign connections.

**Ref. No. 278:** Polish manufacturers of tin containers for all purposes are desirous of getting into touch with foreign buyers.

respective figures showing a daily average of 13.156 car-loads in the former month and 13.640 in the latter; the average daily car-loads in February of last year came to 13.726. The smaller number of loadings is explained not only by the usual seasonal depression at this time of the year but also by the adverse influence of the general depression in business conditions. Certain signs of improvement appeared during February, e. g. larger industrial loadings, which presage the approach of the usual spring activity in trade.

The average daily car-loadings of 15-ton wagons were as follows:

	Feb. 1929	Jan. 1930	Feb. 1930
Loaded on the Polish State Railways:			
destined for home stations	10,049	8,836	8,625
destined for abroad	2,017	3,397	2,995
Total:	12,066	12,233	11,620
received from abroad	614	425	469
transit via Poland	1,016	942	1,067
Total:	13,726	13,640	13,156

It will be seen from the foregoing that the average number of car-loadings decreased during February as against the January figure owing to a fall in loadings at Polish stations from 12,233 to 11,620; home traffic decreased from 8,836 average car-loadings to 8,625, whilst loaded cars destined for foreign points dropped from a daily average of 3,397 to 2,995. It is worthy of note that the number of loaded cars received from abroad, for the first time in many months, showed an increase, although only a slight one; transit traffic also increased in extent.

The average daily car-loadings for home stations according to the class of goods are given below (in 15-ton wagons):

	Feb. 1929	Jan. 1930	Feb. 1930
coal, coke and briquettes	4,089	2,750	2,443
crude oil and petroleum products	103	182	160
timber	834	640	712
agricultural products	858	899	747
raw materials and industrial products	1,418	1,509	1,725
various	2,747	2,856	2,833
Total:	10,049	8,836	8,825

As usually happens towards the end of winter, shipments of coal began to decrease in number during February, whilst those of timber and of manufactured articles rose. Loadings of agricultural produce continued to decrease, a though not so quickly as in the preceding month.

The following table shows the daily car-loadings of the different groups of merchandise despatched to foreign countries (in 15-ton wagons):

	Feb. 1929	Jan. 1930	Feb. 1930
coal	1,452	2,511	2,022
crude oil	25	42	34
timber	371	387	484
agricultural products	60	137	119
various	139	320	336
Total:	2,047	3,397	2,995

Here again, it will be seen that shipments of coal decreased in volume, with a concurrent important increase in those of timber.

**PORT TRAFFIC.**—The movement of ships in the Polish ports of Danzig and Gdynia was on the whole smaller in February than in January. It was however much greater than the in corresponding month of last year, when, as a result of the severe winter, navigation upon the Baltic could only take place under great difficulties.

In Danzig the number of arrivals came to 385 vessels of 277,299 net reg. tons (358,755 net reg. tons<sup>1</sup>) whilst the number of departures came to 387 vessels aggregating 278,096 net reg. tons (367,722 net reg. tons).

The nationalities of the ships which called at Danzig during the month were as follows:

	Arrivals: ships net reg. tons		Departures: ships net reg. tons	
Poland & Danzig	22	23,143	14	16,661
Germany	115	58,871	128	67,352
Finland	7	8,804	8	9,095
Latvia	27	23,751	27	23,410
Lithuania	1	585	1	535
Sweden	89	23,620	99	56,422
Norway	20	1,147	21	23,629
Denmark	76	55,287	64	47,561
England	10	19,255	10	19,255
Holland	7	3,876	7	3,876
Belgium	1	4,088	—	—
France	3	1,968	1	813
Greece	4	5,830	4	8,909
Persia	1	103	1	109
Czechoslovakia	2	419	2	419
Total:	385	277,299	387	278,096

The exports of coal, excluding bunker coal, which left through the port of Danzig during the month in question were as follows (in tons):

Sweden	107,680
Denmark	79,341
France	44,329
Italy	35,515
Norway	32,216
Latvia	30,668
Iceland	9,909
Holland	9,450
Germany	5,589
Belgium	5,231
Africa	4,701
Fin and	2,216
Lithuania	1,050
Total:	367,935

Out of 16 flags represented in the movement of ships the Polish flag occupied seventh place, coming after

<sup>1</sup> The figures in brackets are for the month of January.

## TRANSPORTS

**RAILWAY TRAFFIC** in February showed only a slight decrease in volume as compared with that in January, the



Germany, Sweden, Denmark, Latvia Norway and Great Britain.

In Gdynia, the total amount of cargo handled declined during the month from 313.846 tons to 258.878 tons and was about the same as in December of last year (255.863 tons).

Arrivals declined from 173 in January to 125 in February and the net reg. tonnage from 167.199 to 131.875, a decrease of 35.324 net reg. tons; during the same period departures fell from 164 to 130 and the net reg. tonnage from 161.590 to 133.112, the decline being 28.478 net reg. tons.

The nationality of the ships, which arrived and departed in February as compared with January is shown in the following table:

	Arrivals:		Departures:	
	Jan.	Feb.	Jan.	Feb.
Poland & Danzig	21	12	18	15
Sweden	57	40	54	46
Germany	30	18	26	20
Denmark	17	19	18	18
Norway	14	14	14	11
Latvia	13	11	11	11
U. S. A.	5	4	5	4
France	4	3	4	3
Estonia	4	3	5	2
Finland	3	—	3	—
Holland	3	—	3	—
Lithuania	2	—	2	—
Italy	—	1	1	—

The above figures indicate that, similarly as in the past few months, Sweden, Germany Denmark and Norway, had a considerable share in the traffic of Gdynia.

There was a fall in imports from 32.800 tons in January to 25.255 tons in February. As usual the bulk of the cargo landed consisted of mass goods, including pyrites (6.089 tons), scrap iron (5.580 tons), saltpetre (5.245 tons), phosphate rock (4.000 tons), iron ore (2.800 tons), Thomas slag (1 000 tons), tobacco &c. General cargo amounted to 322 tons.

The exports effected through Gdynia in February were much smaller than in the preceding month, the respective figures being 233.623 tons and 281.045 tons, a fall of 47.422 tons.

The bulk of the export traffic was composed of coal (211.587 tons) and bunker coal (9.498 tons), though fairly large quantities of other goods, including sugar (11.014 tons), rice meal, wheaten flour, wheaten bran, butter, bentwood furniture, salt, &c., were also shipped.

As regards the passenger traffic there was some improvement as compared with the preceding month for although the number of persons landed decreased from 94 in January to 42 in February, departures rose from 1.104 to 1.327, an increase of 223.

## PASSENGER TRAFFIC PASSING THROUGH THE PORT OF GDYNIA

has during the past several years been: as follows (coast-wise traffic excluded)

	A	r	r	i	v	a	l	s
	1923	1924	1925	1926	1927	1928	1929	
Aarhus	—	—	—	—	—	—	—	1
Amsterdam	—	—	—	—	—	—	—	343
Antwerp	—	—	—	—	—	5	—	2
Arnedal	—	—	—	—	—	—	—	5
Asens	—	—	—	—	—	—	—	2
Ballen	—	—	—	—	—	—	—	3
Bornholm	—	—	—	—	—	78	—	278
Copenhagen	—	—	—	—	—	387	—	713
Dunkerque	43	59	—	—	—	—	—	—
Elsbjerg	—	—	—	—	—	—	—	5
Gand	—	—	—	—	—	1	—	—
Göteborg	—	—	—	—	—	—	—	—
Hamburg	—	—	—	—	1.194	9	—	—
Le Havre	—	1.131	681	811	—	1.241	—	754
Helder	—	—	—	—	—	—	—	1
Helsingør	—	—	—	—	—	153	—	—
Malmö	—	—	—	—	—	—	—	1
Memel	—	—	—	—	—	—	—	9
Koersör	—	—	—	—	—	—	—	10
London	—	—	—	—	—	1	1.123	—
Menstad	—	—	—	—	—	—	—	5
New York	—	—	—	—	—	801	—	2.048
Norrköping	—	—	—	—	—	—	—	35
Odense	—	—	—	—	—	5	—	—
Oslo	—	—	—	—	—	46	—	7
Riga	—	—	—	—	—	22	—	99
Rønne	—	—	—	—	119	74	—	—
Rotterdam	—	—	384	—	—	1	—	—
Stettin	—	—	—	—	—	—	—	4
Stockholm	—	—	—	—	55	356	—	382
Tallinn	—	—	—	—	—	34	—	—
Vesteväs	—	—	—	—	—	1	—	—
Visby	—	—	—	—	—	—	—	139
Ystad	—	—	—	—	—	—	—	1
Total :	43	1.190	1.065	811	1.368	3.215	5.970	

	D	e	p	a	r	t	u	r	e	s
	1923	1924	1925	1926	1927	1928	1929			
Amsterdam	—	—	—	—	—	1.696	—			
Antwerp	—	—	—	—	—	—	—		96	
Baltimore	—	—	—	—	—	—	—		11	
Bergen	—	—	—	—	—	—	—		4	
Bornholm	—	—	—	—	—	78	—		170	
Chebourg	—	—	—	—	427	894	—		—	
Copenhagen	—	—	—	—	118	573	—		223	
Dunkerque	1.752	2.096	—	—	—	—	—		—	
Gand	—	—	—	—	—	1	—		—	
Göteborg	—	—	—	—	—	1	—		—	
Le Havre	—	4.281	10.586	6.977	6.977	13.657	14.083		—	
Keni	—	—	—	—	—	—	—		12	
Malmö	—	—	—	—	—	3	—		—	
Memel	—	—	—	—	—	—	—		547	
Libau	—	—	—	—	—	—	—		505	
Limhamn	—	—	—	—	—	—	—		77	
Liverpool	—	—	—	—	—	516	—		—	
London	—	—	—	—	—	—	—		2	
New York	—	—	—	—	—	400	—		422	
Odense	—	—	—	—	—	5	—		—	
Oslo	—	—	—	—	—	45	—		6	
Riga	—	—	—	—	—	59	—		350	
Rønne	—	—	—	—	65	67	—		—	
Rotterdam	—	—	46	—	—	—	—		—	
Stockholm	—	—	—	13	128	272	—		400	
Visby	—	—	—	—	56	—	—		—	
Windau	—	—	—	—	—	—	—		506	
Ymuiden	—	—	—	—	231	1.740	—		177	
Total :	1.752	6.72	10.632	6.970	8.022	20.007	17.591			

The data furnished above should not be accepted as a basis for the future, since passenger traffic through Gdynia is still only in its infancy. Up to the present, only two lines, the "Chargeurs Réunis" and the "Żegluga Polska" Co. have made regular sailings. The former has maintained regular passenger sailings between Havre and Gdynia since the construction of the port was first commenced and for the most part carries emigrants for transshipment to South America. The latter which works on a much smaller scale, organises tourist trips on the Baltic, to Copenhagen, Stockholm, Bornholm &c., during the summer season.

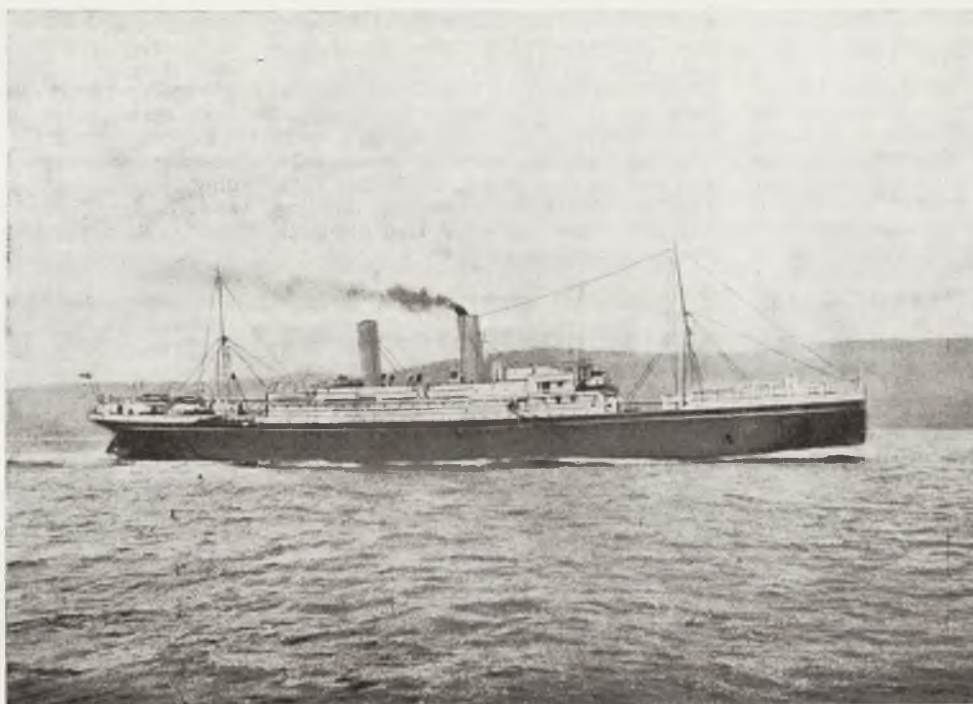
It will be noted that the number of arrivals from New York and London showed a comparatively large increase in 1929. This was due to the inflow of visitors from abroad visiting the Polish National Exhibition which took place at Poznań.

The modest number of passengers

embarking or landing at Gdynia is explained by the fact that this port is still in course of construction and that its equipment for passenger traffic is still inadequate. It has been decided, however, that Gdynia will shortly become the marine passenger centre for travellers to and from Poland, more particularly with regard to Poland's large emigration to overseas countries. Passenger traffic at Gdynia will be concentrated at a special pier, the construction of which is almost completed. The pier is 400 m in length and 120 m in breadth and stretches out to the outer harbour to a point opposite the main entrance to the Port.

In addition, the construction of a large modern passenger railway station is to be commenced in the spring of this year, it being planned to finish the works by 1932. Apart from the equipment and building necessary for the mass handling of emigrant passenger





S/S "POLONIA" ONE OF THE THREE VESSELS ACQUIRED BY THE NEWLY ORGANISED POLISH-TRANSATLANTIC S.S. CO.

traffic, large sheds are to be built for the storage of goods transported by passenger steamers.

By the time this railway station will have been completed, a large emigration centre, with hotels and disinfecting plant and all the other necessary equipment called for by countries admitting immigrants from Europe, will also be ready for use.

It is not expected that Gdynia will be able radically to increase its passenger traffic before the conclusion of the above-mentioned works. Their completion, however, will permit the rational organisation of regular steamer lines which already exist but which are forced for the time being to dock at Danzig instead of at Gdynia.

**A POLISH STEAMSHIP LINE TO NORTH AMERICA.**—The "Żegluga Polska" Steamship Co. of Gdynia has recently taken an important step forward in its development. As from April 1st, 1930, it will own and operate a transatlantic line, connecting the Polish ports of Gdynia and Danzig with the Eastern ports of the United States and Canada. This line is not a new one, having existed for some eight years under the title of the "Baltic-America Line"; it has now been bought by the "Żegluga Polska" Steamship Company from the former owners of the line—the East Asiatic Co. Ltd. of Copenhagen.

In order to operate the vessels of the new line, a new company has been organised—the Polish-Transatlantic Steamship Co., having its registered offices at Gdynia. In this new company the "Żegluga Polska" holds 52 per cent of the shares, whilst the remaining 48 per cent are in the hands of the East Asiatic Company Ltd. The management of the new company is in Polish hands. According to the contract, the Polish

shareholders will, after the lapse of ten years, be able to buy up the shares at present still held by the Danish. By another clause of the contract, the East Asiatic Company has bound itself not to organise a competitive marine transport line serving the Baltic—North American route before the lapse of twenty years. As a result, the Polish line remains and will continue to be for some time longer the only Baltic-America line in existence.

Three vessels comprising the line have as a result of the transfer come under the Polish flag: the S.S. "Polonia" (15,000 tons, built in 1910), the S.S. "Lituania" (12,000 tons, built in 1912) and the S.S. "Estonia" (12,000 tons, built in 1915). Although the steamers in question are not new, they are still in good condition.

The acquisition of these vessels is of course only a commencement, since Poland does not expect to fulfil all her transatlantic navigation aspirations at a single blow. As is known, this field of endeavour is a new one for Polish enterprise and it has been decided to start in a small way before engaging in more ambitious programs. Thus it can be assumed that the purchase of the Baltic-America Line is but a step in that direction.

Poland's interests in this field are too large and varied to permit her to maintain a passive attitude. About 60,000 emigrants leave Poland annually for America. The Polish population of the United States, Canada and of South America numbers about five million persons and of these, year by year, a certain number return to their native land either for good or on a visit. The goods traffic between Poland and America is still small, but it has now every chance of increasing considerably. With the certainty of sufficient passen-

gers and freight to be carried by these steamers, Poland can confidently commence the formation of her transatlantic merchant marine.

#### **SIGNING OF CONTRACT FOR THE SECOND SERIES OF PORT WORKS AT GDYNIA.**

Minister E. Kwiatkowski on February 15, 1930 signed a further agreement with the Franco-Polish Consortium, which since 1924 has been engaged in the construction of the Port of Gdynia. This new contract deals with the execution of the second series of port works, and represents a sum of  $\text{z} 48,466,861.15$ . The following firms belong to the consortium in question: Société de Construction de Batignolles, Paris, Ackermann & van Haaren, Antwerp, Hoigard & Schultz, Copenhagen, the Polski Bank Przemysłowy, Warsaw, and Eng. W. Rumel, Warsaw. The consortium is now engaged in completing the first series of works, costing about  $\text{z} 80$  million.

The new contract deals with works to be completed during the next four years, that is by April 1st, 1934. In practice, however, the term for the completion of this work will be, as for the first series, shorter than that stipulated in the contract.

The work will comprise, first of all, the broadening and deepening to 10 metres of the existing ship canal. Next will come the excavation of a narrower canal joining up with the end of the ship canal, and constituting an extension thereof. This new canal is to be two kilometres in length and of the same depth as the ship canal, i. e. ten metres. The contract next provides for the construction of a second basin, viz. the second internal basin, similar to the existing Marshal Piłsudski Basin. During the same period the Consortium is to prepare the terrain for the future



dockyard basin at the end of the ship canal. The exact location and dimensions of this basin have not yet been definitely settled. The completion of the President Basin also belongs to this second series of works. This basin will be situated to the south of the fishing pier, now being completed, and to the north of the wooden promenade pier, which is to be dismantled and replaced by a stone structure. Finally, the new contract includes the deepening of the approach to the port to twelve metres (at present 10–11 metres).

After the completion of this new series of works, the construction of the external part of the port, i. e. that part of the port lying between the breakwater and the shore, will finally be completed. There will then remain the completion of a waterway penetrating into the mainland for a distance of four kilometres. The port will finally possess two, or possibly three internal basins. We would add that, apart from the contract with the Franco-Polish Consortium, other port works will also be conducted on a considerable scale. These will be executed partly by the Port Authority (warehouses, cranes &c.) and partly by Polish contractors (the harbour passenger station, tunnels, &c.). In this way the coming few years will see great advances in the construction of the Port of Gdynia.

Returning to the contract with the Consortium, we would add that its terms are strictly analogous to those of the first contract, so that the carrying out of the work by the Consortium will continue to take place under the close

supervision of the Ministry of Industry and Commerce, which will also prepare the plans for the port buildings. The Ministry of Industry and Commerce has the right to change the plans specified in the contract, and in connection with this, the right to augment or diminish the cost of the work by 30 per cent. The contractors engage to use building material of exclusively Polish origin in the construction of the Port.

#### AERIAL COMMUNICATION. —

Considering the time of the year, aerial traffic in February, similarly as in the preceding month was on a high level.

The total number of flights (scheduled and extra) was 398 as compared with 433 in the preceding month, but the distance covered declined from 97 365 km to 88 365 km, or by 9 000 km. On the other hand the amount of goods carried rose from 24 910 to 33 470 kg. The weight of the mail transported was 3 781 kg as against 3 839 kg. The passenger traffic rose from 559 in January to 669 in February.

The regularity of flights was 92 per cent as against 88·2 per cent in January.

#### POSTAL MONEY ORDER SERVICE BETWEEN POLAND, DENMARK AND ESTONIA. —

A postal money order service between Poland, Denmark and Estonia was inaugurated on March 1, the usual principles governing foreign money orders having been maintained.

For the time being only ordinary postal money orders have been introduced (including express remittances and the furnishing of return receipts), thus excluding telegraphic remittances, C. O. D. collections and conditional payments.

In the case of Denmark all the post offices have been authorised to accept remittances, but in that of Estonia, whilst all the post offices are authorised to pay out international money orders through the intermediary of the International Money Remittance Exchange Department at Reval, only certain Estonian postal and telegraphic offices are allowed to issue such money orders for direct transmission.

The maximum remittance to Poland from both these countries has been fixed at £ 1 000 and from Poland the maximum to Denmark is Danish crowns 400 and to Estonia Est. cr. 400, i. e. in both cases the equivalent of £ 1 000.

Sums transmitted to Denmark or Estonia should be expressed in Danish or Estonian currency as the case may be, i. e. in Danish crowns and öre or in Estonian crowns and cents; sums transmitted to Poland should be in terms of Polish currency.

Postal fees for remittances to Denmark or Estonia will be levied in accordance with the usual foreign money order tariff.

## FINANCE AND BANKING

**STATE REVENUE AND EXPENDITURE** in February are given in the appended table (in millions of £) on the next page.

The State revenue in February amounted to £ 237·2 million as compared with £ 250 million in January; the decrease was therefore one of £ 12·8 million. This decrease in revenue was accounted for by lower receipts from all the divisions of the budget, i. e. from revenue from State Administration, from State enterprises and from the State monopolies.

Revenue from the State Administration declined by £ 6·6 million (from £ 175·5 million to £ 168·9 million), from State enterprises by £ 2 million (from £ 4·1 million to £ 2·1 million), and from State monopolies by £ 4·2 million (from £ 70·4 million to £ 66·2 million).

The largest drop in receipts was that in the revenue of the Ministry of Finance. Whilst in January 1930 these receipts in the Administration group amounted to £ 160 million, they came to only £ 152·6 million during February,

the decrease being therefore one of £ 7·4 million. It must be mentioned too that although receipts from taxes decreased by £ 36·2 million during February, this was made up to a great extent by much higher sums being received from other sources of income of the Ministry of Finance, particularly from the general administration of the Treasury.

Compared with January 1930, budgetary receipts decreased in February by £ 12·2 million, viz. from £ 249·4 million to £ 237·2 million. This drop in revenue was accounted for by a decrease of £ 7 million in administrative receipts which fell from £ 175·9 million to £ 168·9 million and by £ 5·2 million in payments effected by the State monopolies (£ 66·2 million as compared with £ 71·4 million in January). Payments effected for the account of the Treasury by State enterprises remained at the same level as in January, i. e. £ 2·1 million.

Budgetary expenditure was decreased in view of the expected drop in revenue

in February but to a greater degree than was the case with the actual receipts. The actual drop in revenue came to £ 12·8 million, whilst expenditure declined by £ 19·8 million as compared with the January figures, falling from £ 242 million to £ 222·2 million.

The reduction of budgetary expenditure by £ 19·8 million was dictated by expectations of lower revenue to be received and by the desire to maintain budgetary equilibrium during each of the various months of the fiscal year. This action yielded the result that although receipts fell by £ 12·8 million, a surplus of £ 15 million was left or one of £ 7 million more than was the case in January 1930.

In this connection it is worthy of note that compared with January, pensions to disabled soldiers and the service of State loans during February resulted in a larger expenditure of £ 8·3 million, which of course could not be avoided or put off, these items rising in value



	Revenue		Expenditure	
	actual	estimated for 1929/30	actual	estimated for 1929/30
A) Civil service . . . . .	168.9	1.885.9	220.5	2.913.9
The President of the Republic. . .	0.0	0.3	0.3	4.0
The Parliament . . . . .	0.0	0.3	0.1	11.7
State Control . . . . .	0.1	0.1	0.5	7.9
Council of Ministers . . . . .	0.0	0.0	0.2	3.1
Ministry of Foreign Affairs . . . .	1.8	12.2	1.9	55.7
" " War. . . . .	0.4	3.5	47.3	842.8
" " the Interior . . . . .	1.1	15.6	22.6	256.4
" " Finance . . . . .	152.6	1.706.7	15.2	155.5
" " Justice . . . . .	4.7	43.2	9.9	133.2
" " Industry and Commerce . . .	1.0	12.5	3.3	57.8
" " Transport . . . . .	0.0	0.5	1.4	19.2
" " Agriculture . . . . .	0.9	11.4	4.0	61.6
" " Religious Cults and Edu- cation . . . . .	0.5	10.8	39.6	472.5
" " Public Works . . . . .	2.0	35.1	7.8	163.3
" " Labour and Social Pro- tection . . . . .	0.1	0.9	19.1	66.1
" " Land Reform . . . . .	0.5	5.1	4.1	73.9
" " Posts and Telegraphs . . .	0.0	0.0	0.1	3.0
Pensions . . . . .	2.2	27.7	12.8	125.8
Grants to disabled soldiers . . . .	—	—	16.7	153.1
State liabilities . . . . .	—	—	13.6	247.3
B) State enterprises . . . . .	2.1	164.6	1.7	21.9
C) Monopolies . . . . .	66.2	904.5	—	—
Total A + B + C:	237.2	2.955.0	222.2	2.935.8

from £ 22 million to £ 30.3 million in the latter month.

Compared with the total of £ 203.5 million representing actual disbursements in February 1929, those effected in the corresponding month of this year came to £ 222.2 million, the increase being therefore one of £ 18.7 million. This is explained by the fact that the 1929/30 Budget foresaw greater expenditure than did the Budget for the preceding fiscal year, and by the fact that as from February 4th, 1930 two new laws came into force having been voted on February 1st, 1930 ("Dz. Ust. R. P." No 6, items 49 and 50) and introducing supplementary credits for the period 1929/30 amounting to £ 51.9 million.

The increase in expenditure which took place in February and which as above stated came to £ 18.7 million, arose as a result of administrative expenses increasing from £ 203 million to £ 220.5 million, i. e. by £ 17.5 million, and of dotations to State enterprises growing from £ 0.5 million to £ 1.7 million, i. e. by £ 1.2 million.

During the first eleven months of the 1929/30 fiscal year, budgetary revenue totalled £ 2.749 million, this sum being

composed of £ 1.854 million received from administrative receipts, £ 92.6 million from State enterprises and £ 802.4 million from the State monopolies. During the corresponding period of the 1928/29 fiscal year the total revenue received came to £ 2.752.8 million, these including £ 1.839.3 million received from administrative receipts, £ 105.6 million from State enterprises and £ 807.9 million from the State monopolies.

The above-mentioned sum of £ 105.6 million representing payments made to the Treasury by State enterprises in the 1929/30 fiscal year, included £ 22.2 million paid in by the State Railways: as a result of the losses sustained by the railways during the very severe winter, this sum was returned in its entirety to the Railways Administration in order to enable it to keep up its investment activities ("Dz. Ust. R. P." No. 23/1929, item 231). Deducting then this sum of £ 22.2 from the gross receipts of the eleven months in question it will be seen that the corrected figure for the fiscal year in question comes to £ 2.730.6 million.

During the first eleven months of the 1929/30 fiscal year, budgetary

disbursements came to £ 2.689.6 million, this sum including £ 2.660.8 million on for administrative expenditure and £ 28.8 million for Treasury dotations to State enterprises. The corresponding total for the previous year came to £ 2.542.9 million, with administrative expenses amounting to £ 2.522.7 million and payments to State enterprises to £ 20.2 million.

During the period April 1st, 1929 to February 28th 1930 the actual State expenditure came to 91.61 per cent of that estimated in the Budget, whilst State revenues were equivalent to 93.05 per cent of that foreseen by the Budget. From the foregoing it follows that the actual receipts for the first eleven months of 1929/30 exceeded by 1.39 per cent the estimated norm of 91.66 per cent, whilst disbursements fully came up to the level of the proportion which is generally accepted.

The budgetary surplus during the eleven months of the fiscal year in question came to £ 59.4 million.

**TAXES** and monopolies in February yielded £ 188.8 million as against £ 229.2 million in the month before and £ 191.4 million in February 1929. The revenue from taxes and State monopolies during the month under review was smaller by £ 40.4 million than in January and only £ 2.6 million less than in February 1929.

This decrease in revenue as against the January figure is explained by the fact that February is always a poor month in respect of receipts. Thus, in February 1929 the difference between receipts in that month and those of the previous month came to £ 44.7 million, the revenue having fallen from £ 236.1 to £ 191.4 million.

Taxes alone yielded the sum of £ 122.6 million during February this year as against £ 158.8 million in January and £ 120 million in February last year. Receipts from that source during February therefore were £ 36.2 million below the January figure and £ 2.6 million below that reported for February 1929.

Ordinary direct taxation yielded £ 56.2 million during February 1930, £ 78.4 million in January and £ 47.3 million in February 1929. The Industrial and the Income Tax, the most important in the direct taxation group, yielded an amount equivalent to that in last year in the case of the Industrial Tax whilst the Income Tax yielded rather higher receipts.

In addition, the Land Tax showed smaller returns in February than in



January, the same applying to the Tax on urban and certain rural real estate, to the Capitals and Unearned Income Tax, to fines payable for delayed fiscal payments and to interest payments due for taxes in arrear.

Receipts from indirect taxation also decreased during February, falling from £ 19.8 million in January to £ 17.4 million, i. e. by £ 2.4 million, whilst the yield from this source last year in the corresponding month was £ 18.9 million, or £ 1.5 million greater. The Sugar Excise Tax was chiefly responsible for the drop in this division of taxation.

Customs duties continued to decline in volume, falling from £ 26.2 million in January to £ 21.9 million in February, the last-named sum being smaller by £ 5.6 million than that received in February 1929. Stamp fees and the like yielded £ 16.1 million during February this year, this being £ 1.5 million less than in January (£ 17.6 million) and £ 1.9 million more than in February 1929 (£ 14.2 million). The Property Tax accounted for £ 2.6 million in February 1930 as against £ 5.2 million in January of last year.

The 10 per cent Supplementary Tax yielded less during February than in January by £ 3.2 million (£ 8.4 million as against £ 11.6 million) and by £ 0.2 million than in February of last year (£ 8.6 million).

Compared with January 1930, receipts from State monopolies yielded less by £ 4.2 million during February, falling from £ 70.4 million to £ 66.2 million. This decrease was due mainly to the fact that the Spirits Monopoly had paid in larger sums during the previous months and consequently could pay in only a smaller amount during the month in question. Compared with February 1929 receipts from the State monopolies declined by £ 5.2 million, the figure for that month having been £ 71.4 million.

It will be seen from the foregoing that compared with January, receipts in February 1930 declined in the following cases: ordinary direct taxation, indirect taxation, customs, stamp fees, Property Tax, the 10 per cent Supplementary Tax and payments effected by the Monopolies for the account of the Treasury.

During the first eleven months of the 1929/30 budgetary year, public levies and monopolies furnished £ 2.404 million, this being £ 0.5 million more than in the corresponding period of the 1928/29 fiscal year (£ 2.4035 million).



MODERN BUSINESS ARCHITECTURE IN WARSAW:  
THE CO-OPERATIVE SOCIETIES BANK

During this eleven-month period of 1929/30 the total of the receipts attained from taxation exceeded the corresponding sum for the 1928/29 period by £ 6 million whilst payments received from State monopolies declined by £ 5.5 million. Public levies showed an increase of £ 28.5 million in the returns of ordinary direct taxation (due to larger receipts from the Income Tax), of £ 7.1 million in those of indirect taxation, of £ 5.5 million in stamp fees, of £ 3.3 million in the yield of the 10 per cent Supplementary Tax. Customs dues showed a drop of £ 28.7 million, whilst the Property Tax showed one of £ 9.7 million.

The revenue from taxes and monopolies for the first ten months of the 1929/30 fiscal year amounted to 95.92 per cent of the estimates for the whole year and thus exceeded the estimated percentage of 91.66 fixed as normal for that space of time by 4.26 per cent.

Receipts from taxation alone exceeded this theoretical norm by 8.33 per cent since they were equivalent to 99.9 per cent of the estimated sum for the whole year. The monopolies, however, failed to achieve such good results, their payments for the account of the Treasury having come to only 88.7 per cent of the estimated amount they should have paid in for the whole year according to the budget estimates.

The revenue from taxes and monopolies in February 1930 compared with January of the same year and February last year as also with the full budget

estimates for the 1929/30 fiscal year is given below (in millions of £):

	Actual revenue:		<sup>1</sup> / <sub>12</sub> th of the yearly budget for	
	Jan	February	1930	1929/30
Direct taxes	78.4	56.2	47.3	51.7
Indirect taxes	19.8	17.4	18.9	14.4
Customs duties	26.2	21.9	27.5	35.4
Stamp fees	17.6	16.1	14.2	16.3
Total of the ordinary public levies:	142	111.6	107.9	117.8
10 per cent Extra-ordinary Tax	11.6	8.4	8.6	8.2
Property Tax	5.2	2.6	3.5	7.5
Total of the ordinary public levies:	16.8	11.0	12.1	15.3
Monopolies	70.4	66.2	71.4	75.4
Total of public levies and monopolies:	229.2	188.8	191.4	208.9

#### REPORT OF THE POLISH STATE SPIRITS MONOPOLY FOR 1929.—

In accordance with the law regarding the State Spirits Monopoly, on January 1st, 1930, a total of 1,555 distilleries were licensed to produce spirit. This figure comprises 1,516 agricultural products, 11 molasses, 15 yeast, and 13 fruit distilleries. The output of spirit during the past three years was (in hectolitres of 100° alcohol):

Year	Total Production	Agricultural products distilleries alone
1926/27	579	510
1927/28	663	591
1928/29	729	672
1929/30	810	750

During 1929 the State Spirits Monopoly bought a total of 654,810 hl. of 100° alcohol, of which amount 625,570 hl. originated from agricultural products



distilleries. The latter figure represents an increase of 67,270 hl. over the corresponding amount for 1928, when 558,300 hl. were purchased from the agricultural products distilleries.

A total of 613,250 hl. of 100° alcohol were sold during 1929 as compared with 596,290 hl. in 1928 and with 501,370 hl. in 1927. Of the 1929 figure, 481,250 hl. were for consumption as alcoholic beverages, whilst 132,009 hl. were sold for medicinal and industrial purposes, as well as for motor-fuel mixtures and methylated spirit. Sales of alcohol represented in 1929 a consumption of 1·99 litres of 100° spirit per head of the population. Of this figure, 1·56 litres represents alcoholic drinks. In comparison with 1928, the sale of spirit for beverages has increased only to a negligible extent, i. e. by 1¼ per cent, whilst sales for other purposes have increased by 9 per cent. This point testifies to the tendency towards increasing the use of spirit for purposes other than drink. A new item appears in 1929 in the industrial application of alcohol when 5,280 hl. of 100° spirit were sold for motor fuel mixtures. Apart from this, sales of spirit for industrial purposes were as follows (in hectolitres):

Manufacture of vinegar . . .	15,900
Gunpowder and explosives . .	15,380
Perfumes and cosmetics . . .	7,010
Pharmaceutical products . . .	4,160
Lacquers and varnishes . . .	3,950
Sulphuric ether . . . . .	2,670

The consumption of spirit as a beverage amounted in 1929 to from 6·80 litre per

head of population in the Tarnopol voivodship to 5·70 litres in the City of Warsaw. The largest increase in this respect took place in Warsaw City and in the Poznań and Silesia voivodships whilst decreases have occurred in the Warsaw voivodship, as well as in other voivodships.

As to the individual products of the Monopoly, the following quantities were sold in 1929 (in thousands of litres):

Ordinary vodka . . . . .	45°	43,424
Choice . . . . .	40°	19,535
De luxe . . . . .	45°	5,029
Rectified spirit . . . . .	40°	270
Methylated spirit . . . . .	95°	132
	100°	13,855
		74,440

The greatest percentage increase in comparison with 1928 is in the sales of ordinary 45° vodka and of choice 45° vodka. The sales of 95° rectified spirit have declined, while at the same time the sale of methylated spirit has increased. This is a somewhat disquieting feature in that it has occurred, in the Eastern or least culturally developed voivodships of the Republic where there has been a simultaneous decline in the sale of vodka. This fact gives rise to a suspicion that on the abolition of the card system of sale for methylated spirits, the population of these voivodships has been using these spirits as a beverage. In view of this the denaturation of alcohol with some more effective denaturant is to be introduced within the near future.

The revenue of the State Spirits

Monopoly amounted in 1929 to £ 589,319,000 as compared with £ 581,789,000 in 1928. The following sums, in thousands of zlotys, were paid out in 1929, as compared with 1928:

	1929	1928
Local Government Boards	474,467	471,700
Distilleries	64,945	64,926
Private rectifying plants	6,609	5,843
Various suppliers	38,630	29,584

The cost of the Administration of the State Spirits Monopoly amounted to £ 4,286,000.

## STOCK EXCHANGE

— The Warsaw market following, the flurry caused by the discovery of forged dollar notes in circulation, reported in our last issue, has since returned to normal. Trading in U. S. currency is meeting with no difficulty at present and it can hence be assumed that Polish stock exchange circles consider that no further danger exists.

The trend for exchange quotations on the Warsaw Stock Exchange, during the period under review, was, on the whole, somewhat firmer. This is borne out by the fact that the majority of

		31.1	1—8.2	10—15.2	17—22.2	24—27.2	28.2	par value
<b>Warsaw Exchange</b>								
London	£ 1	43·37½	43·37½	43·36½	43·35½	43·35	43·34¼	43·38
New York	\$ 1	8.898	8·90	8·902½	8·903½	8·902¼	8·903	8·90
New York Cable		8·916	8·918	8·92½	8·921½	8·919½	8·92	—
Paris	Fr. Fr. 100	35—	34·97½	34·93½	34·90½	34·89½	34·89	172·00
Brussels	Belg. 100	124·18	124·21½	124·26½	124·25	124·25	124·26	123·95
Zurich	Sw. Fr. 100	172·05	172·08½	172·09½	172·06½	172·05	172·05½	172·00
Milan	Lir 100	—	46·68½	46·69½	46·69½	46·71	—	172·00
Amsterdam	Fl. 100	—	357·91	357·70½	357·70	357·62½	—	358·31
Vienna	Sh. 100	125·44	125·49½	125·55	125·59	125·53	125·57	125·43
Prague	Kc. 100	—	26·37½	26·39½	26·40	26·40½	46·40½	180·62
Stockholm	Kr. 100	—	239·30	239·16	239·25½	239·42	—	238·89
<b>Foreign Exchanges</b>								
London	£ 1	43·38	43·37½	43·36½	43·36½	43·36½	43·36	43·38
New York	\$ 100	11·25	11·25	11·25	11·25	11·25	11·25	11·22
Zurich	£ 100	58·07½	58·08½	58·06½	58·07½	58·08½	58·07½	58·14
Vienna	£ 100	79·62½	79·65	79·59½	79·62½	79·57½	—	79·55
Prague	£ 100	378·50	379·1	378·1½	379·1½	378—	378·125	55·36
Berlin	£ 100	46·925	46·91½	46·93½	46·97½	46·975	46·975	47·09
Danzig	£ 100	57·64	57·65½	57·69½	57·62½	57·65½	57·68	57·63

the quotations noted ranked higher than in the previous period. Prices for U. S. currency rose by £ 0·05 and for cables on New York by £ 0·04 (both rates per U. S. dollar); drafts on

Brussels rose by £ 0·08, on Zurich by £ 0·05, on Milan by £ 0·026, on Vienna by £ 0·13, on Prague by £ 0·0275 and on Stockholm by £ 0·12 (per 100).

On the other hand, drafts on London

fell by £ 0·0325 (per pound sterling), on Paris by £ 0·11 and on Amsterdam by £ 0·285 (per 100).

On the foreign money markets, no great changes took place in the quota-



tions for the złoty. A slight decline was noted in Vienna and Prague, prices remained constant in New York and Zurich, and rose somewhat in the remaining centres.

Comparing the February and January turnover in foreign currencies, it will be seen, taking into consideration the three days less in the former month, that little change in volume took place. As is usual, the demand towards the end of the month fell off due to the fact that the banks satisfied the needs of their clients from their own stocks and did not effect purchases on the Stock Exchange.

#### SHARES

— The world-wide crisis which has been making its influence felt on the stock exchanges has likewise affected the Warsaw shares and securities market. Not only did prices drop but

the turnover in even the most popular and reliable shares shrank greatly. The more important operators who in the past bought shares at the considerably higher prices then reigning, still refrain from unloading on the market and continue to await an improvement in conditions. On the other hand, bank clients have limited their purchases of stock to extremely small proportions since the fear is current that prices will drop still further. Professional market operators and speculators, hampered by the chronic lack of liquid funds, have reduced their transactions to a minimum.

However, there are some more optimistically inclined persons who believe that a change for the better can be soon expected, but these are cramped by lack of funds for the most part, and although they state that the present moment is most favourable for buying

and that the bottom of the market has been reached, they conduct only very modest bull transactions for that reason. The table of representative stocks quoted in this article shows that prices in the majority of cases exhibited a downward tendency. The only shares to maintain their position were those of the Bank of Poland, the Bank Dyskontowy Warszawski, the Bank Zachodni and Haberbusch & Schiele which even showed gains. It must be borne in mind, however, that during the middle of the month the Bank of Poland paid out a dividend of 20 per cent for the operating year 1929. Were it not for the reigning crisis and the consequent tightness of money the Bank of Poland shares would have undoubtedly reached a new high level, since at the present price they yield 11 per cent income—probably a record dividend for a bank of issue. It can

S H A R E S	31.1	1-8.2	10-15.2	17-22.2	24-27.2	28.2	N o m i n a l
Bank Polski . . . . .	184'—	183'25	175'70	162'75	164'25	164'50	zł 100'—
Bank Dyskontowy Warszawski . . . . .	—	124'90	125'—	126'—	126'50	127'—	zł 100'—
Bank Handlowy w Warszawie . . . . .	—	—	—	—	—	—	zł 100'—
Bank Zachodni . . . . .	—	78'75	81'—	80'—	—	—	zł 100'—
Bank Zw. Sp. Zarobkowych . . . . .	80'—	80'40	79'35	79'10	78'90	78'50	zł 100'—
Warsaw Society of Coal Mines . . . . .	52'—	51'40	54'—	—	50'—	50'—	zł 100'—
Chodorów . . . . .	—	136'—	—	—	—	—	zł 100'—
Cegielski . . . . .	—	42'—	—	41'—	39'—	40'—	zł 100'—
Zjednocz. Fabryki Maszyn, Kotłów i Wagonów L. Zieleniewski i Fitzner-Gamper	—	—	—	60'—	59'—	—	zł 100'—
Norblin, Buch & Werner . . . . .	—	—	71'50	65'—	—	—	zł 100'—
Starachowice . . . . .	—	21'25	21'45	20'65	20'30	—	zł 50'—
Lilpop, Rau & Loewenstein . . . . .	—	25'85	25'05	24'80	24'—	24'—	zł 25'—
Ostrowiec (b series) . . . . .	—	62'10	61'25	—	60'50	—	zł 50'—
Modrzejów . . . . .	—	13'20	13'75	13'25	—	—	zł 50'—
Rudzki . . . . .	—	—	—	—	—	—	zł 50'—
Warsz. Sp. Akc. Budowy Parowozów . . . . .	—	20'—	—	—	—	—	zł 25'—
Borkowski (Elibor) . . . . .	—	7'—	6'75	—	5'75	—	zł 25'—
Wysoka . . . . .	—	—	—	—	—	—	zł 100'—
Siła i Światło . . . . .	—	—	—	93'—	—	—	zł 50'—
Zakłady Chem. Ludwik Spiess & Syn . . . . .	—	99'35	100'—	—	—	—	zł 100'—
Zjedn. Brow. Warsz. Haberbusch & Schiele	—	105'—	105'50	106'—	107'—	—	zł 100'—

therefore be expected that when the crisis recedes, Bank of Poland shares will receive due attention on the part of those seeking a safe and profitable investment security.

#### STATE, MUNICIPAL AND LAND LOANS

— Contrary to the depressed tendency on the stock and share market, the

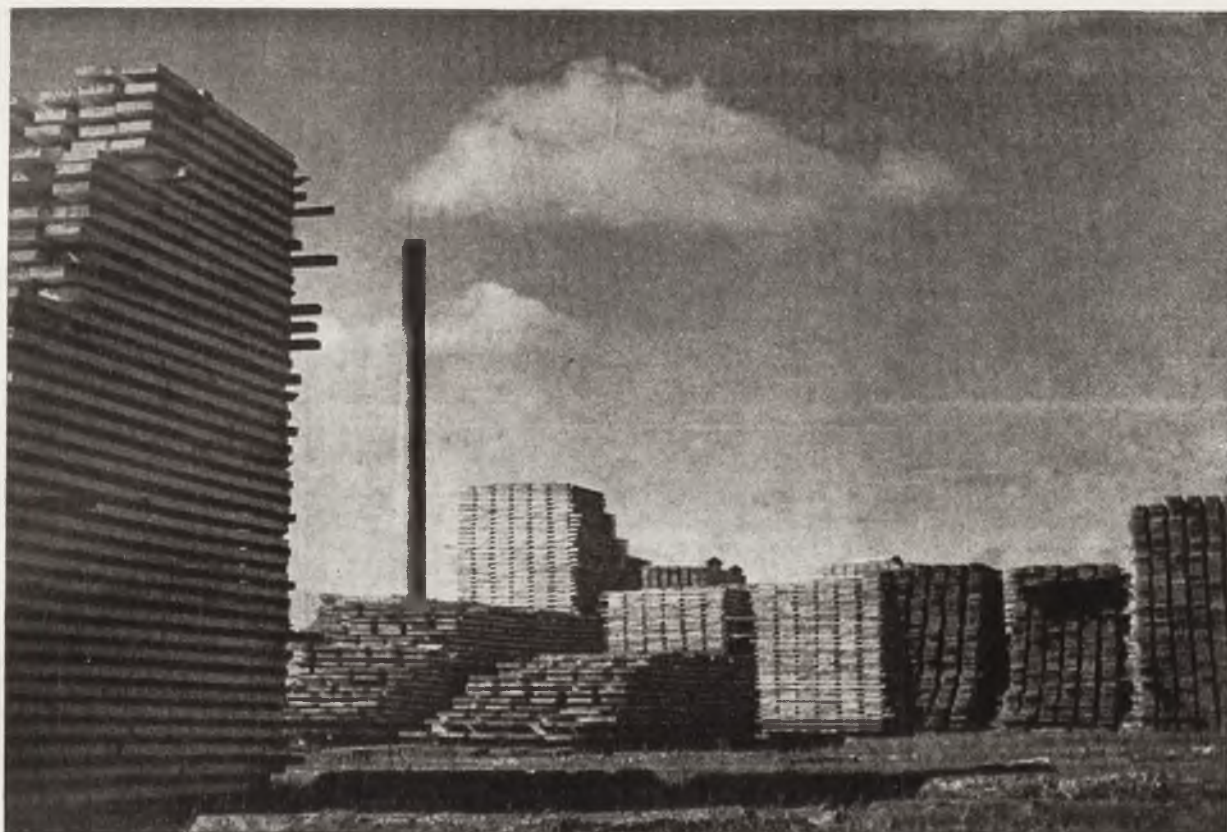
fixed-interest securities showed great liveliness and a distinctly bullish trend.

Amongst the Government securities dealt in, only the 6 per cent External Dollar Loan and the 7 per cent Stabilisation Loan showed any losses in quotations, this being due to a fair amount being on offer. On the other hand, the 5 per cent Conversion Loan, the 4 per cent Premium Investment Loan and the 5 per cent Premium

Dollar Loan rose. The 10 per cent Railway Loan as also mortgage and other bonds of the State banks maintained the stabilised level which they have kept for some time past.

The turnover in private mortgage bonds was large and they showed great liveliness on the market. Land mortgage bonds as also those of the City of Warsaw all exhibited a distinct upward movement in prices.





EXPORT TIMBER STOCKS IN THE SAW MILL DISTRICT NEAR BYDGOSZCZ  
(PHOT. S. PLATER)

The favourable conditions noted for long-term credit associations arise out of the fact that foreign and home capitalists have been buying heavily, the mortgage bonds issued by Polish of the fact that foreign and home finding in these securities a safe and

State, Municipal & Land Loans	31.1	1—8.2	10—15.2	17—22.2	24—27.2	28.2	Nominal
5% Conversion Loan ... ..	—	50'10	52'10	51'20	51'75	52'—	£ 100'—
7% Stabilisation Loan ... ..	—	88'25	86'—	85'—	84'—	—	\$ 100'—
6% External Dollar Loan 1920 ... ..	—	79'25	79'25	—	74'—	—	\$ 100'—
4% Premium Investment Loan ... ..	121'75	122'80	125'65	127'90	130'—	130'—	gold £ 100'—
5% Premium Dollar Loan (2nd series) ... ..	74'50	76'20	79'35	77'40	79'15	79'75	\$ 5'—
10% Railway Loan (1st series) ... ..	102'50	102'50	102'50	102'50	102'50	102'50	gold fr. 100'—
8% Bank Gospodarstwa Krajowego Bonds ... ..	94'—	94'—	94'—	94'—	94'—	94'—	gold £ 100'—
8% State Land Bank Bonds ... ..	94'—	94'—	94'—	94'—	94'—	94'—	gold £ 100'—
8% Com. Oblig. of the Bank Gospodarstwa Kraj.	94'—	94'—	94'—	94'—	94'—	94'—	gold £ 100'—
8% Land Credit Association Bonds ... ..	—	71'50	71'85	72'10	73'—	—	£ 100'—
4% Land Credit Association Bonds ... ..	—	41'25	—	42'65	42'75	43'—	£ 100'—
4½% Land Credit Association Bonds ... ..	50'—	50'80	52'25	50'95	51'75	51'50	£ 100'—
8% Credit Soc. of the City of Warsaw Bonds ... ..	71'—	71'50	71'60	72'75	74'50	74'75	£ 100'—
5% Credit Soc. of the City of Warsaw Bonds ... ..	—	54'60	55'10	55'10	55'75	—	£ 100'—
4½% Credit Soc. of the City of Warsaw Bonds ... ..	—	50'75	51'65	52'50	52'90	—	£ 100'—

profitable investment with always the chance of increasing profits in the event of the bonds being drawn for premature redemption.

### BANK OF POLAND

—The January deficit in the purchases of foreign currencies and drafts over their sale was quite a large one. It

took place after six months of surpluses and was brought about by a reaction following the holding up of purchases by the banks during December in view of the annual balance-sheet falling due in that month. The large increase in purchases also resulted from the fact that the banks needed foreign exchange in order to pay off certain of their short-term obligations abroad which

had become superfluous in view of the restriction in credit activity.

The situation was therefore bound to change in February and a surplus, though a very small one, amounting to £ 2·8 million was reported. This change did not arise as a result of an increase in purchases, however: on the contrary, these continued to decline (December 1929 — £ 152·4 million, January 1930 —



	January 31st		February 10th		February 20th		February 28th	
<b>Assets:</b>								
Bullion:								
gold in vaults ---	521,351.119 35		521,400.712 34		521,451.629 11		521,503.323 16	
" abroad ---	179,552.653 50		179,552.653 50		179,552.653 50		179,552.653 50	
silver (gold value) ---	2,299.339 68		---		2,299.201 88		2,299.339 68	
	700,903.772 85		700 953.365 84		701,004.282 61		701,055.976 66	
Foreign currency, drafts and assets ---	371,756 152 21	1,072,659.925 06	367,545 490 09	1,068,498.855 93	355,907.335 34	1,056,911 617 95	360,481 334 01	1,061,537.310 67
Foreign currency, drafts and assets not included in the cover ---		101,338 045 37		99,953 309 89		99,232.139 81		100,400.497 26
Silver and token coins --		937.282 78		657 660 52		388 332 60		622 513 78
Bills of exchange --		684,449.221 08		676,125 858 62		670,321 132 11		668,446 692 29
Loans against securities --		71,141.105 40		70,883.754 13		69,455.794 46		70,269.768 46
Own interest-bearing securities ---		7,960.099 36		8,330.326 77		8,091 212 24		7,678.983 12
Reserve funds invested in securities ---		75,938 982 81		82,154 909 63		83,531.478 ---		83 531.438 ---
Loans to Government ---		25,000 000 ---		25 000,000 ---		25,000.000 ---		25,000.000 ---
Property ---		20,000 000 ---		20 000 000 ---		20 000.000 ---		20 000 000 ---
Other assets ---		100,350.479 31		100 184.898 64		99,952 378 99		118,343 908 40
		2,159,775.141 17		2,151,789.574 13		2,132,884 086 16		2,155,831.151 98
<b>Liabilities:</b>								
Capital ---		150,000 000 ---		150 000 000 ---		150 000 000 ---		150 000 000 ---
Reserve fund ---		110,000.000 ---		110 000.000 ---		110,000.000 ---		110,000.000 ---
Sight liabilities:								
current accounts of State Institutions ---	298,155.936 74		285,838 084 46		327,941 114 43		282,569.171 96	
outstanding current accounts ---	131,533 098 80		169,564.815 10		109,493.184 14		137,831 220 48	
silver purchases a/c ---	13,000 000 ---		13,000 000 ---		13,000 000 ---		13 000 000 ---	
State credit fund a/c ---	1,494.416 06		4 474.140 06		5,468.515 06		7,432.923 06	
various accounts ---	9 650.792 48		10 923.163 25		16,135 940 01		15,602 107 90	
	453,834 244 08		483,800 202 87		553,038.753 64		456 435.423 40	
Notes in circulation ---	1,246,741 800 ---	1,700,576.044 08	1,208.148.710 ---	1,691.948.912 87	1,165,248.580 ---	1,718,287.333 64	1,281,759.920 ---	1,738,195 343 40
Special account of the Treasury ---		75 000 000 ---		75,000.000 ---		75,000 000 ---		75,000.000 ---
Other liabilities ---		124,199 097 09		124,840.661 26		79,596 752 52		82,635 808 58
		2,159,775.141 17		2,151,789 574 13		2,132,884 086 16		2,155,831.151 98

zł 133.7 million, February -- zł 117.7 million). The change was due to a slump in the demand from the abnormally high January figure to the December level (zł 116.9 million in December 1929, zł 219.7 million in January and zł 114.9 million in February 1930). Thus the sale of foreign exchange to the Banks and to the private clients of the Bank declined during February to zł 75.7 million from zł 160.8 million, whilst sales to Government Departments also fell off, dropping from zł 48.8 million to zł 28.8 million.

The foreign currency reserves of the Bank showed a decrease during February from zł 473.1 million. This drop appeared for the most part in those reserves which provide the cover for the bank-notes in circulation and sight liabilities as they declined from zł 371.8 million to zł 360.5 million whilst the remaining reserves dropped only from zł 101.3 million to zł 100.4 million.

The bullion reserves of the Bank rose very little during February: from zł 700.9 million to zł 701.1 million. This was because no purchases were made abroad,

the slight increase being the result of the normal purchase of gold (mostly in the shape of gold coins) from the general public by the various branches of the Bank.

The changes in the gold and foreign currency cover for the note issue and sight liabilities are given below (in millions of zł):

	January 1st	January 31st	February 28th
gold	700.5	700.9	701.0
foreign currencies and liabilities	418.6	371.8	360.5
Total:	1.119 1	1.072 7	1.061 5

In relation to the value of the notes in circulation and sight liabilities, the above gold and foreign currency reserves represented 61.07 per cent at the end of February, the corresponding figure at the end of January being 63.08 per cent. The gold cover alone was 40.33 per cent at the end of February, as compared with 41.22 per cent at the end of the preceding month. The relatively larger drop in the percentage of the cover than in the value of the cover is explained by the fact that the bank-note issue and sight-liabilities

increased from zł 1.700.6 million to zł 1.738.2 million. This increase affected both components of this item, as in January the decrease likewise affected both the note issue and the sight liabilities. During February, however, the increase in sight liabilities was very small (from zł 453.8 million to zł 456.4 million) while the note-issue rose from zł 1.246.7 million to zł 1.281.8 million in February.

The increase in sight-liabilities was not caused by a growth in the most important item i. e. current accounts, since these even dropped from zł 429.7 million to zł 420.4 million. The increase noted at the end of February was due to the larger balance on the State Credit Fund account (in connection with the Stabilisation Loan) and on the miscellaneous accounts item. With regard to current accounts, the balances of private persons and institutions increased from zł 131.5 million to zł 137.8 million but those of the Government Cash Offices, following a considerable increase during January, dropped from zł 298.2 million to zł 282.6 million.



The increase in the value of the notes in circulation which shrank considerably during January, was due to the payment of dividends &c. following the annual General Meeting of the Bank, to the purchase of interest-bearing securities for the Reserve Fund of the Bank, &c. The credit activities of the Bank were such that they restricted the growth of the notes in circulation since in view of the smaller demand the value of the bills in portfolio fell off; thus, it totalled £ 704.2 million on December 31st, 1929, £ 684.4 million on January 31st, and only £ 668.4 million on February 28th. Loans against securities also declined somewhat during February, falling from £ 71.1 million in January to £ 70.3 million.

Of the remaining items of the bank cover for the notes in circulation and sight liabilities, the value of the stock of silver and token coins, bought by the Bank for its own account, decreased during February from £ 0.9 million to £ 0.6 million, whilst the holdings of interest-bearing securities fell from £ 8.0 million to £ 7.7 million. The debt of the Treasury remained unchanged at £ 25.0 million. The whole bank cover for the notes in circulation and sight liabilities is given below (in millions of £):

	January 31st	February 28th
bills	684.449	668.447
Polish silver coins and token money	937	623
loans against se- curities	71.141	70.679
own interest-bea- ring security liability of the Treasury	7.960	7.679
	25.000	25.000
<b>Total:</b>	<b>789.488</b>	<b>772.018</b>

**THE BANK OF POLAND DISCOUNT RATE DECREASED.** — The Board of the Bank of Poland decided on March 13th to decrease the bank rate as from March 14th from 8 to 7 per cent, and for loans against securities, from 9 to 8 per cent.

**THE ACTIVITY OF THE POSTAL SAVINGS BANK IN 1929.** — The Balance Sheet and the Profit and Loss Account as well as the detailed report covering the activity of the Postal Savings Bank in 1929 which have been published recently, permit us to gauge the results. The basic business of this institution is the accumulation of savings and the popularisation and development of the cheque system of payment. These two sections have a decisive influence on the remaining business of the Bank.

The increase in savings in 1929 amounted to £ 45.3 million and was thus greater by £ 8.5 million than the increase in 1928 as compared with 1927. The average monthly increase in the value of the savings in 1928 was £ 3.7 million as compared with £ 3.0 million in 1928. The total value of the deposits on the savings accounts of all types

amounted to £ 173 million on December 31, 1929. At the same time the number of new savings books issued in 1929 was 175,983, and after the deduction of those cancelled the actual increase amounted to 128,902, the total number of savings books on December 31, 1929 being 434,305. This increase proves conclusively that thrift in Poland has been revived and that the Postal Savings Bank enjoys the confidence of the public. It is also worthy of note that 25 per cent of the savings books are issued to school boys and girls.

The development of the savings section of the Postal Savings Bank during the period from 1924 to 1929 is illustrated by the following figures:

	Total value of savings (in £)	Number of savings books
1924	7,555,079	57,793
1925	12,612,013	81,628
1926	24,639,555	113,201
1927	67,600,055	179,643
1928	122,292,293	298,343
1929	172,895,980	434,302

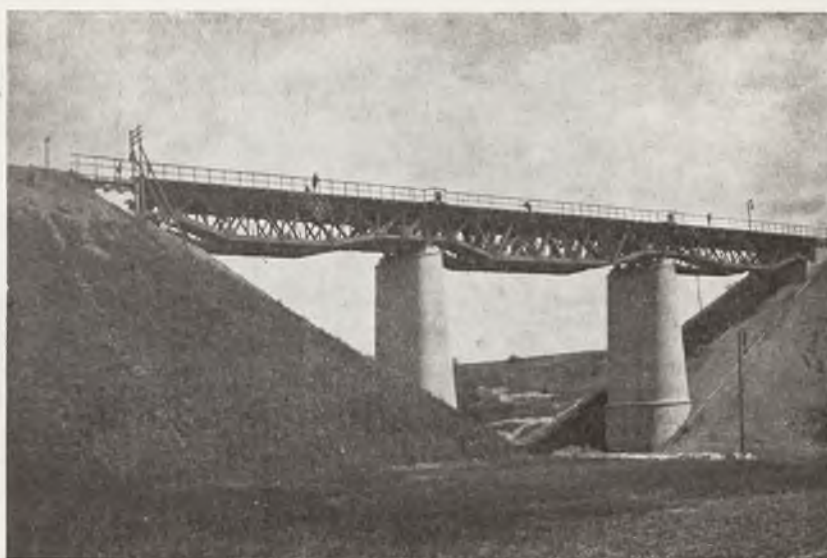
Parallel with the development in savings, the cheque turnover exhibited a considerable rise. The total value of the cheque turnover amounted to £ 24 milliard in 1929, which is £ 3 milliard more than in the year 1928. The total number of the cheques cleared was 30 million in 1929 as against 25 million in 1928, while the number of current accounts rose from 57,254 on December 31, 1928 to 62,439 on December 31, 1929. Of the total number of current accounts, 45 per cent represents those of commercial and industrial undertakings. Thanks, however, to the steady rational propaganda carried on by this institution, the use of the current accounts is being spread among the public. Thus, in the course of the past year, the Postal Savings Bank succeeded in arranging the payment of salaries to the employees of several of the Ministries through its intermediary and it is hoped that a similar arrangement will be made with other Government

Departments and private firms in the near future. The cheque turnover during the period from 1924 to 1929 is shown below (in millions of £):

	Total cheque turnover at the Postal Savings Bank	Balance on cur- rent accounts on December 31	Number of cur- rent accounts
1924	3,124	37.5	44,016
1925	7,418	52.4	46,832
1926	10,611	104.2	51,288
1927	15,941	133.3	52,591
1928	21,273	193.5	57,254
1929	24,008	210.6	62,439

In addition to the savings and current account sections the Postal Savings Bank grants credit indirectly by purchasing State, communal and mortgage bonds. The business shows considerable development which is corroborated by the item "own securities" on the asset side of the Balance Sheet being the largest item; on December 31, 1929 it amounted to £ 248.6 million, an increase of £ 70 million or 38 per cent over the corresponding figure for the preceding year. An analysis of the securities held by the Postal Savings Bank reveals the fact that the largest group, which totalled £ 175.2 million at the end of last year, is composed of mortgage bonds and obligations of the State banks. The indirect credit activity of the Bank during the period from 1926 to 1929 is illustrated by the following table (in millions of £):

	1926	1927	1928	1929
Government securities	11.6	16.5	12.9	19.3
Mortgage bonds and obli- gations of the State Banks	19.2	39.7	110.6	175.2
Mortgage bonds and obli- gations of other financial institutions	2.5	37.7	36.6	39.2
Various (shares of the Bank of Poland, &c.)	3.6	7.0	10.2	14.9
<b>Total:</b>	<b>39.9</b>	<b>100.9</b>	<b>179.3</b>	<b>248.6</b>



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In consequence of the change in the credit policy of the Bank in favour of indirect credits, the discount credits are being gradually liquidated with the result that the total amount of outstanding discount credits on December 31, 1929 totalled only £ 9.7 million.

In the course of the past year the Bank started to transact a new kind of business, namely the purchase of bills of exchange. The innovation is of certain importance for it enabled the institution to introduce into circulation a certain portion of its liquid capital which otherwise would have been immobilised and put away in the

vaults. It should be stated that the Bank only takes fine bank and trade bills so that it does not run any risk.

Loans against securities at the end of the year under review amounted to £ 11.6 million. The policy of the Bank was to grant only small loans.

The capital invested in real estate was at the end of 1929 £ 29.6 million.

Overhead charges are steadily declining and compared with the grand total of the Balance Sheets they were 3.2 per cent in 1927, 2.9 per cent in 1928 and 2.4 per cent in 1929.

Since the middle of 1928, the Bank has conducted a life insurance depart-

ment. During the comparatively short period 15,000 policies were issued for a sum of £ 54 million, and the profit for the year 1929 amounted to £ 277,000.

In summing up the above remarks it may be stated that the year under consideration marked a further growth in the capital of the Bank and considerable progress in all its sections. This is all the more significant when it is borne in mind that the economic situation in Poland during that year, and especially conditions on the money market, were by no means conducive to the development of banking.

## LATEST NEWS

### WARSAW EXCHANGE:

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\$ 1 = £	8.906	8.907
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### BANK OF POLAND:

ASSETS:	10.3.30	20.3.30
Gold reserve ... .. £	701,110.208.91	701,806.618.93
Foreign balances ... „	339,986.229.98	326,000.183.09
„ „ (not included in the cover) „	109,344.658.33	107,570.821.96
Bills of exchange ... „	636,497.578.49	630,231.703.21
Loans against securities „	69,362.269.56	69,555.956.10

### LIABILITIES:

Notes in circulation ... „	1,244,123.800.—	1,201,065.730.—
Current accounts ... „	418,121.062.35	417,140.647.89
Other sight liabilities ... „	33,639.563.39	33,826.213.25

### BANK NOTES COVER

(gold & foreign currencies)	61.39%	62.21%
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